

Guyyaa 30/07/2018

Beeksiisa

Dhimmi: Firii Caalbaasii Sagantaa FSRP

Beeksiisu

Caalbaasii ifaa Ijaarsa Projeektii Sagantaa FSRP **11(Kudha Tokko)** Xinxalliin teeknikaa rawwatame jira.

Dorgomtootni firii Teekninaa kana irratti Komii Yoo qabatan guyyaa beeksiifni kun bahee kaase guyyaa Hojii shan(5) keessatti Komii kessan akka dhiheeffatan beeksiifna.



Nagaa Wajjin

Dammaqach G/Giyoorgiis
Daayirektara Bittaa

MINUTES OF MEETING

PROJECT BID APPROVAL (ENDORSEMENT) COMMITTEE

Project Names and their procurement Numbers

S.No	Project Name	Proc Ref No
1	Anjelelo Burkitu SSIP	ET-OROMIA-IPADB-FSRP-518516-CW-RFB/25
2	Aliko Katar SSIP	ET-OROMIA-IPADB-FSRP-518515-CW-RFB/25
3	Malka Tuchi SSIP	ET-OROMIA-IPADB-FSRP-518515-CW-RFB/25
4	Koftu SSIP	ET-OROMIA-IPADB-FSRP-518516-CW-RFB/25
5	Golol SSIP	ET-OROMIA-IPADB-FSRP-518515-CW-RFB/25
6	Urgesa SSIP	ET-OROMIA-IPADB-FSRP-518516-CW-RFB/25
7	Garangara SSIP	ET-OROMIA-IPADB-FSRP-518518-CW-RFB/25
8	Odo Abile SSIP	ET-OROMIA-IPADB-FSRP-518515-CW-RFB/25
9	Dambi Roge SSIP	ET-OROMIA-IPADB-FSRP-518516-CW-RFB/25
10	Dimtu SSIP	ET-OROMIA-IPADB-FSRP-518518-CW-RFB/25
11	Birile SSIP	ET-OROMIA-IPADB-FSRP-518518-CW-RFB/25

Date: 04/04/2026

Time: 4:30 Local time

Venue: OIPDB-7th floor

1. Attendance

The meeting of the Bid Approval (Endorsing) Committee was held in the presence of the following members:

S.No	Names	Role
1	Tamirat Tafera	Chairperson
2	Mohammed Abdela	Secretary
3	Daniel Tolosa	Member
4	Moti Tafa	Member
5	Shawangizaw Legesse	Member

2. Agenda

The main objective of the meeting was:

- To review and approve the **Bid Evaluation Report** for the above-mentioned contract in accordance with **World Bank Procurement Regulations**.
- To ensure that the evaluation process complied with the principles of **transparency, fairness, competition, and value for money**.



3. Background

The procurement process was conducted following the **World Bank Standard Procurement Documents (SPD)** and applicable guidelines.

S.No	Project Name	Invitation for Bids was issued Date	Bid submission deadline date
1	Anjelelo Burkitu SSIP	22-Nov-2025	23-Dec-2025
2	Aliko Katar SSIP	22-Nov-2025	22-Dec-2025
3	Malka Tuchi SSIP	22-Nov-2025	22-Dec-2025
4	Koftu SSIP	22-Nov-2025	23-Dec-2025
5	Golol SSIP	22-Nov-2025	22-Dec-2025
6	Urgesa SSIP	22-Nov-2025	23-Dec-2025
7	Garangara SSIP	22-Nov-2025	24-Dec-2025
8	Odo Abile SSIP	22-Nov-2025	22-Dec-2025
9	Dambi Roge SSIP	22-Nov-2025	23-Dec-2025
10	Dimtu SSIP	22-Nov-2025	24-Dec-2025
11	Birile SSIP	22-Nov-2025	24-Dec-2025

The Technical Evaluation Committee completed the bid evaluation and submitted its report with recommendations.

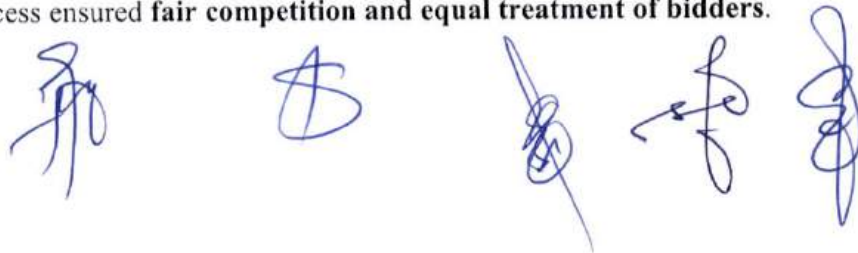
4. Review of Bid Evaluation Report

The Committee carefully reviewed the Bid Evaluation Report focusing on:

- Compliance with eligibility and qualification criteria
- Responsiveness of bids to technical requirements
- Arithmetic corrections and price adjustments
- Application of evaluation criteria as stated in the bidding document
- Post-qualification of the lowest evaluated bidder

The Committee confirmed that:

- The evaluation was conducted in strict adherence to the bidding document.
- No deviation from the **World Bank Procurement Regulations** was observed.
- The process ensured **fair competition and equal treatment of bidders.**



5. Key Findings

S.No	Project Name	Total bids received	Responsive bids	Lowest evaluated responsive bidder Name	Evaluated Contract Price in ETB
1	Anjelelo Burkitu SSIP		3	Yohanes Iami GWWC	53,464,525.32
2	Aliko Katar SSIP		2	MM Engineering PLC	63,064,527.19
3	Malka Tuchi SSIP		1	Sam'alo GWWC Plc	106,786,766.07
4	Koftu II SSIP		2	Birhanu Abebe GC and WWC	134,136,238
5	Golol SSIP		2	Tafcon engineering and Trading JV with Centauries engineering and Trading	281,360,558.48
6	Urgesa SSIP		7	Nahili Construction	105,671,604.92
7	Garangara SSIP		5	Dasalign Mulugeta WWC and GC JV with Tinsae Ashok Construction	94,804,506.45
8	Odo Abile SSIP		2	Bokucon GC and GWWC	43,141,456.88
9	Dambi Roge SSIP		3	Bargamo Construction	43,204,684.04
10	Dimtu SSIP		2	BH Engineering PLC	178,262,330.83
11	Birile SSIP		6	Sinsif Construction	67,467,282.01

• Non-responsive bids and reasons:

Justification for Rejected Bidder on Financial Evaluation

1. Wario Nura GC and WWC

Abnormally Low Bid (ALB) situation under **World Bank Procurement Regulations**, and if not handled properly, it becomes a **serious audit risk**.

1. Applicable World Bank Framework

Under the **World Bank Procurement Regulations for IPF Borrowers (July 2016, revised)**:

Here is Key Principle:



Four handwritten signatures in blue ink, appearing to be official approvals or verifications.

You cannot reject a bid only because it is low, but you must reject it if the bidder fails to demonstrate capability after clarification.

2. Relevant Clauses for Our Case

Clause: Abnormally Low Bids

Procurement Regulations – Paragraph 5.75 – 5.77

➤ Core Requirements:

Para 5.75:

If a bid appears abnormally low, the Borrower shall request **written clarification** including detailed price analysis.

Para 5.76:

The Borrower shall **assess the explanation** to determine whether the bidder has the capability to perform the contract.

Para 5.77:

If the explanation is **not satisfactory**, the Borrower shall **reject the bid**. THIS IS OUR LEGAL BASIS FOR REJECTION

3. Strong Technical Justification (Very Important)

Your rejection must be based on **objective evaluation**, not opinion. In Our case, We have strong grounds:

Facts:

- Masonry unit rate quoted: **900 ETB/m³**
- Market/Engineer's estimate: **~9000 ETB/m³**
- Difference: **~90% below realistic cost**
- Masonry is **major BOQ item (critical path)** for >3600m canal

Risk Identified:

- Underpricing of **core activity**
- Likely:
 - Poor quality execution
 - Work abandonment
 - Variation claims later
 - Contract failure



□ **Clarification Response:**

- Submitted but **unrealistic / not supported**
- No credible:
 - Material sourcing plan
 - Labor cost justification
 - Equipment/logistics explanation

4. How to Legally Reject (Audit-Proof Logic)

Our rejection followed this **3-step logic chain:**

Step 1: Identify ALB: - The bid is significantly lower than engineer's estimate and other bids

Step 2: Clarification Requested: - Formal request issued per Para 5.75

Step 3: Evaluation of Response: - Response is **inadequate / unrealistic / unsupported**

Step 4: Conclusion: - Bidder **failed to demonstrate capability**

- failed to demonstrate
- not substantiated
- inconsistent with market conditions
- Comparison: The price offered by the contractor for similar items (Masonry) for other works were contradicts each other. Masonry unit rate for other items (900ETB/m³, 9000ETB/m³, 7700 ETB/m³) This is a classic case of unbalanced / inconsistent unit rates in a Bill of Quantities (BoQ), and it must be handled carefully under the World Bank Procurement Regulations to avoid audit issues.

During the detailed evaluation of bids, it was observed that your quoted rate for masonry works (ETB 900/m³) is significantly lower than the Engineer's Estimate and prevailing market rates for similar works. Given that masonry constitutes a major and critical component of the contract; your bid was identified as potentially abnormally low.

In accordance with the provisions of the World Bank Procurement Regulations for IPF Borrowers (Paragraphs 5.75–5.77), the Bid Evaluation Committee requested you to provide a detailed breakdown and justification of your pricing, including cost components for materials, labor, equipment, and methodology of execution.

We acknowledge receipt of your clarification. However, upon comprehensive review, the Bid Evaluation Committee has determined that:

- The submitted cost breakdown does not provide sufficient detail or supporting evidence to substantiate the quoted rates;
- The assumptions presented for key cost components are not consistent with prevailing market conditions;



- The explanation does not adequately demonstrate your technical and financial capacity to execute the works at the quoted price without significant risk to quality, timely completion, and overall contract performance.

Based on the above assessment, the Committee concludes that your bid is abnormally low and that the justification provided is not satisfactory. Accordingly, and in line with Paragraph 5.77 of the World Bank Procurement Regulations, your bid has been rejected.

Therefore: - **Rejected under Para 5.77**

2. Sinsif Construction

We have solid ground to reject this bid—but the key is to do it **strictly under the Abnormally Low Bid (ALB) provisions**, not just because the bidder “admits inability.” You need a **procedurally correct, audit-proof justification aligned with World Bank Procurement Regulations (Procurement Regulations for IPF Borrowers, July 2016, revised)**.

Here’s the correct legal and procedural pathway:

1. Applicable World Bank Provision (Core Legal Basis)

Abnormally Low Bid (ALB) – Clause 5.66–5.69

According to the World Bank Procurement Regulations:

- If a bid appears **abnormally low compared to the Engineer’s Estimate**, the Borrower must:
 1. **Requested written clarification**
 2. **Assess the justification**
- If the bidder:
 - **Fails to provide satisfactory explanation, OR**
 - **Admits inability to perform at the bid price,**

Then:- **The Borrower SHALL reject the bid..... So we have rejected this contractor**

2. Our Case – Strong Grounds for Rejection

we have very strong, **audit-proof justification** based on:

A. Major Price Deviation

- Bid Price: **61 million ETB**
- Engineer’s Estimate: **120 million ETB**
- Deviation: **~49% lower**



This clearly triggers **ALB suspicion**

B. Clarification Outcome (Critical Evidence)

The bidder explicitly stated:

- Cannot execute due to:
 - Delay (4 months)
 - Market price escalation
 - Increase in cost of:
 - Pumps
 - Generators
 - Transformers

This is **not a justification** and This is effectively a **confession of non-performance risk**

C. Procurement Risk

World Bank rules emphasize:

- **Contract performance reliability**
- **Avoidance of contract failure**

Accepting this bid would create:

- High risk of:
 - Contract failure
 - Variation claims
 - Time overruns
 - Disputes

3. Correct Decision Logic (Audit-Proof)

We are NOT rejecting because price is low:-We ARE rejecting because bidder failed to justify ability to perform at quoted price

4. Recommended Evaluation Conclusion (BER Language)

We Used this in our Bid Evaluation Report:

Abnormally Low Bid Assessment

The Bidder submitted a bid price of ETB 61,000,000, which is substantially lower (approximately 49%) than the Engineer's Estimate of ETB 120,000,000.



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In accordance with Clause 5.66 of the World Bank Procurement Regulations, the Bidder was requested to provide a detailed price analysis and justification.

In its clarification response, the Bidder indicated that it **cannot execute the contract at the offered price**, citing:

- Prolonged bid validity period,
- Market price escalation,
- Increase in costs of key materials (pump, generator, and transformer).

The Bidder did not provide a credible breakdown demonstrating the feasibility of executing the works at the quoted price. Instead, the response confirms **inability to perform at the bid price**.

Therefore, the Bidder has **failed to satisfactorily justify the abnormally low bid**.

In accordance with Clause 5.69 of the World Bank Procurement Regulations, the Bid is hereby **rejected**. Accepting such a bid would pose significant performance risk and is not in the best interest of the project.

The Committee verified that the recommended bidder meets all **technical, financial, and experience requirements**.

Method of Allocation

Remarks: - as per our standard bid document Bid Data Sheet ITB 39.1 The bidder shall be awarded only one contract

This situation is actually **anticipated in World Bank procurement**, and your Bid Data Sheet clause (ITB 39.1) is fully aligned with the Bank's framework.

Let's go step by step with **clear justification and action for the endorsing committee**.

1. What the World Bank Regulations Say

Under the World Bank Procurement Regulations for IPF Borrowers:

Multiple Awards / Multiple Bids

- There is **NO prohibition** on a bidder:
 - Submitting bids for multiple contracts, or
 - Being evaluated as **lowest bidder in more than one lot/project**

This is allowed **unless restricted in the Bidding Document**



- Not “disqualification” technically — but:
 - **They cannot be considered for additional awards**

Step 4 — Move to next lowest evaluated bidder

- For remaining projects:
 - Award goes to **2nd lowest evaluated substantially responsive bidder**

5. Important Compliance Note (Audit Critical)

You must clearly document:

- Why that bidder was selected for **one specific contract**
- Why excluded from others
- That decision is based on:
 - **ITB 39.1 (BDS condition)**
 - NOT arbitrary judgment

6. Strong Justification Statement (Use in Report)

You can use this in your **Bid Evaluation Report (BER)**:

In accordance with ITB 39.1 of the Bid Data Sheet, which stipulates that a bidder shall be awarded only one contract, the Bid Evaluation Committee noted that: (Sam’aloo GWWC PLC, Bargamo Construction and MM Engineering JV with Hayu WWC) was the lowest evaluated substantially responsive bidder for more than one contract.

S.No	Contractor name	Leat evaluated Site	Proposed Site
1	MM Engineering JV with hayu GWWC	Anjelelo Burkitu SSIP	Aliko Katar SSIP
		Aliko Katar SSIP	
2	Bargamo Construction	Dambi Roge	Dambi Roge SSIP
		Garangara SSIP	
3	Sam’aloo GWWC PLC	Malka Tuchi SSIP	Malka Tuchi SSIP
		Koftu II SSIP	

Accordingly, the Committee applied the stated bidding condition and determined the award for only one contract based on **lowest evaluated cost advantage**.

For the remaining contracts, the Committee proceeded to consider the next lowest evaluated substantially responsive bidders for award, in full compliance with the World Bank Procurement Regulations requiring strict adherence to the bidding document.

7. Key Risk we avoided



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We DO NOT:

- Allow same bidder to take multiple contracts (violates BDS)
- Change criteria after bid opening

Conclusion

- ✓ Contractors can be lowest in multiple bids
- ✓ But due to **ITB 39.1**, they can receive **only one award**
- ✓ Remaining contracts go to **next ranked bidders**

6. Committee Decision

After thorough discussion and review, the Committee:

- Approved the **Bid Evaluation Report**
- endorsed the **recommendation** to award the contract to:

S.No	Project Name	Winning Contractors Name	Contract Amount of
1	Anjelelo Burkitu SSIP	Yohanes lami GWWC	53,464,525.32
2	Aliko Katar SSIP	MM Engineering PLC	63,064,527.19
3	Malka Tuchi SSIP	Sam'aloo GWWC Plc	106,786,766.07
4	Koftu SSIP	Birhanu Abebe GC and WWC	134,136,238
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10	Dimtu SSIP	BH Engineering PLC	178,262,330.83
11	Birile SSIP	Sinsif Construction	67,467,282.01

7. Justification

The decision was made based on:

- Compliance with **World Bank Procurement Regulations**
- Selection of the **lowest evaluated responsive bidder**
- Assurance of **value for money**
- Fulfillment of all **technical and qualification requirements**

8. Recommendations



The Committee recommends that:

- The Procuring Entity proceeds with Notification of Award after post qualification check for lowest evaluated bidder if required.
- Contract agreement be prepared and signed after fulfilling all requirements
- Performance Security (10%) and ES (2%) Guarantee be obtained as per the bidding document
- Client's right to check post qualification before contract signing is as it is.
- Clients right to cancel bid by half or full is respected


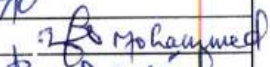
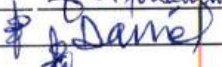

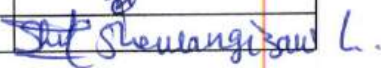
To make our decision bulletproof: here Attachments on Annex below

- Price Quote comparison from Shagar City Construction Authority
- Copy of clarification letter
- Bidder's response

9. Closing

The Chairperson thanked all members for their contributions and declared the meeting closed.

10. Signatures

S.No	Names	Role	Signature
1	Tamirat Tafera	Chairperson	
2	Mohammed Abdela	Secretary	
3	Daniel Tolosa	Member	
4	Moti Tafa	Member	
5	Shawangizaw Legesse	Member	

Prepared by

Name:-Mohammed Abdela

Title:-Secretary

Date:- 06/04/2026

