

FINAL REPORT BY THE ASSURANCE TEAM
ON
THE MATERIAL PROJECT INFORMATION PROVIDED
BY
THE MINISTRY OF EDUCATION
ON
THE CONSTRUCTION OF KAWAMA BASIC COMMUNITY
SCHOOL
MKUSHI DISTRICT

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Table of Contents

1. EXECUTIVE SUMMARY	1
2. INTRODUCTION	3
2.1 The Construction Sector Transparency Initiative.....	3
2.2 Objectives of the study	4
2.3 Project Location and description	4
2.4 Approach to Pilot Study	4
3. ACTIVITIES UNDERTAKEN.....	5
3.1 Meeting with Stakeholders	5
3.2 Collection and Analysis of Data	5
3.3 Site Visit	5
4. DATA VERIFICATION	6
4.1 Project Identification and Budgeting	6
4.2 Procurement of Consulting Services	7
4.3 Procurement of Works Contractors.....	7
4.4 Project Design and Supervision	7
4.5 Works Contract	8
5. DATA ANALYSIS	9
5.1 Project Design and Supervision	9
5.2 Works Contract	9
5.3 Issues of concern.....	10
APPENDIX I: MATERIAL PROJECT INFORMATION	11
APPENDIX II: SCHEDULE OF DOCUMENTS DISCLOSED	1
APPENDIX III: PHOTO GALLERY	2

List of Acronyms

AT	Assurance Team
BoQ's	Bill of Quantities
CoST	Construction Sector Transparency Initiative
DEBS	District Education Board Secretary
DESO	District Education Standards Officer
GRZ	Government of the Republic of Zambia
MOE	Ministry of Education
MOH	Ministry of Health
MPI	Material Project Information
MSG	Multi Stakeholder Group
MWS	Ministry of Works and Supply
NCC	National Council for Construction
PMC	Project Management Committee
PEs	Procuring Entities
SIS	School Infrastructure Section
SMM	Standard Methods of Measurements
ZMK	Zambian Kwacha
ZPPA	Zambia Public Procurement Authority

1. EXECUTIVE SUMMARY

- 1.1. The Construction Sector Transparency Initiative (CoST) is a multi-stakeholder initiative aimed at increasing transparency and accountability in the construction sector through improved disclosure of material project information.
- 1.2. CoST is being piloted in seven countries; Ethiopia, Malawi, Philippines, Tanzania, United Kingdom, Vietnam and Zambia and is supported by the Department for International Development (DfID) of the United Kingdom.
- 1.3. In Zambia, four institutions involved in infrastructure development and maintenance; Ministry of Education, Ministry of Health, Buildings Department under the Ministry of Works and Supply and Road Development Agency, were selected for the pilot study.
- 1.4. The Construction of Kawama Community School was one of the projects selected under the Ministry of Education.
- 1.5. The Ministry of Education has developed a medium term strategy, the national Implementation Framework (2008 – 2010), for the construction of basic schools in the various districts in the Country.
- 1.6. The School Infrastructure Section (SIS) is responsible for all school Infrastructure designs. The preparations of Bills of Quantities are based on the Standard Methods of Measurements (SMM 7).
- 1.7. The basic school construction is implemented using community mode approach. The communities within the catchment areas are expected to contribute in-kind through up-front materials or labour amounting up to 25% of the cost of the project. The upfront material is in form of burnt bricks, crushed stones, river sand and building sand. The other provisions shall include unskilled labour such as ferrying of bricks, drawing of water. In areas where burnt bricks can not be made the community is expected to mould concrete blocks using cement purchased by the project funds
- 1.8. The labour charge for the 1x3 classroom block is paid per stipulated stage reached at each construction phase.
- 1.9. The school forms the Project Management Committee (PMC) whose composition is the school manager, two teachers, and district building

officer, officer from DEBs and six parents from the community and one who is a female.

1.10. The PMC is responsible for the day to day planning and execution of the project. The PTA/Board supervises the PMC and signs the contract with the contractor.

1.11. The Project Management Committee advertises the project in order to engage skilled labour. The criterion does not permit individual contractors to offer contractor sum for the works to be carried out. The school infrastructure section has prescribed amounts to be paid for each stage of works being done.

1.12. The procurement of building material is handled by a committee that comprises the Secretary, Chairperson of the Project Committee and the District Buildings Officer.

1.13. The appointment of the contractor K & M Central Merchants Ltd followed a procurement procedure done by the District Education Boards Office.

1.14. Based on the site visit, the quality of constructed work is not very satisfactory and it was difficult to establish the start date and completion date for the works.

1.15. The major source of concern is that documents regarding the selection of the contractor and payments made have not been disclosed although the general guideline on selection of contractor and stages of payment has been disclosed by the Ministry.

2. INTRODUCTION

2.1 The Construction Sector Transparency Initiative

- 2.1.1 The Construction Sector Transparency Initiative (CoST) is a multi-stakeholder initiative aimed at increasing transparency and accountability in the construction sector. CoST intends to ensure that national governments, affected stakeholders, and the wider public get what they pay for in public construction projects, by increasing transparency in the construction sector. It is expected that greater transparency, through greater disclosure of project information, will yield benefits to government, industry, civil society, and ordinary citizens.
- 2.1.2 It is, however, recognised that the disclosure of this information may not be sufficient on its own to achieve greater accountability. This is because some of the information is likely to be complex and not easily intelligible to the general public. For example, there are many reasons for time and cost overruns on construction projects that may be quite legitimate and not necessarily an indication of poor governance of the procurement process.
- 2.1.3 CoST is being piloted in seven countries; Ethiopia, Malawi, Tanzania, United Kingdom, Philippines, Vietnam, and Zambia and is supported by the Department for International Development.
- 2.1.4 In Zambia, the National Council for Construction, on behalf of the Construction Sector Transparency Initiative (CoST) Zambia Multi Stakeholder Group (MSG) contracted an Assurance Team in May 2010, to undertake assurance services on selected public construction projects ranging from roads to health and school infrastructure to ensure that the information released is both accurate and in a form that can easily be understood by stakeholders.
- 2.1.5 A total of 17 projects have been selected for the pilot and includes the construction of Kawama basic school
- 2.1.6 The Assurance Team comprises four specialists in construction working together to obtain, verify and assess material project information and provide reports. This report has been prepared by the Assurance Team in accordance with its Terms of Reference and gives the activities undertaken and its opinion on the material project information (MPI) released by the Ministry of Education

2.2 Objectives of the study

2.2.1 The Zambian pilot has four objectives:

- to learn lessons to help in the development of CoST
- to learn lessons on improving transparency through the disclosure of project information
- to gain an improved understanding of construction project costs amongst public sector clients
- to learn and share lessons on the management and control of publicly-funded construction projects.

2.2.2 The Assurance Team has been contracted to carry out the following tasks on the project:

- Collect the material project information;
- Verify the accuracy of the material project information;
- Report on the extent and accuracy of the information which has been released;
- Analyse the material project information and make informed judgements about the cost and quality of the project;
- Report on the findings regarding the cost and quality of the project and highlight any outstanding issues of concern.

2.3 Project Location and description

2.3.1 The construction Kawama basic school is located about 5km North West of the Mkushi Central Business District. The school has an existing 1x3 classroom block

2.3.2 The project involves the construction of 1x3 classroom block.

2.3.3 The contract was signed between the Project Management Committee (PMC) and the contractor K & M Central Merchants Ltd.

2.4 Approach to Pilot Study

2.4.1 The approach used in carrying out the pilot study included meetings with the Zambia Multi Sector Group (MSG), Procuring Entities (PEs), Zambia CoST project coordinators, and visits to the supervision consultants and contractors.

2.4.2 The findings from the above activities were then compiled into this report.

3. ACTIVITIES UNDERTAKEN

3.1 Meeting with Stakeholders

3.1.1 The Assurance Team had a meeting with representatives of the Ministry of Education at which the Assurance Team explained the objective of the study and the information that needed to be disclosed on the five projects that had been selected.

3.1.2 It was agreed during the meeting that the Infrastructure Department would provide the Team with material project information and documentation in whatever form available. A template of the material project information which needed to be disclosed was given to the Department.

3.2 Collection and Analysis of Data

3.2.1 A follow-up meeting on the construction of schools (the five selected projects) were held with the Procurement Unit in order to obtain a better understanding of the procedures followed by the Ministry of Education in the development and execution of projects.

3.2.2 The material project information disclosed is given at Appendix I. The documents which were disclosed to the Assurance Team are listed in Appendix II.

3.2.3 Obtaining the necessary documents proved to be more difficult than initially envisaged. This was largely due to the fact that the documents for this type of contract are kept at district level.

3.3 Site Visit

3.3.1 The Team undertook a site visit on 24th June 2010 in order to have an appreciation of the project and also discuss issues and obtain all necessary the documents and/or information.

4. DATA VERIFICATION

4.1 Project Identification and Budgeting

4.1.1 The Ministry of Education has developed a strategy, The National Implementation Framework, 2008 to 2010 (NIF), whose objective is to operationalised the Fifth National development Plan (FNDP) with particular reference to the Government Policy of Education For All (EFA).

4.1.2 The underlying principles of EFA objectives in Zambia are:

- (i) *Access*: which emphasised Government's commitment to universal provision of opportunities for a defined minimum level of education;
- (ii) *Equity*: which emphasised the need to ensure that the distribution and utilisation of opportunities in education would be fairly targeted in order to reach the disadvantaged groups in society;
- (iii) *Learning achievement*: which emphasised the need to focus on well-defined learning achievements as a major outcome of the education process? This principle is linked with *relevance*, *effectiveness* and *efficiency* which, together, help to define quality in the education process.

4.1.3 One of the NIF Strategic Priorities, Strategic Priority 1, is Access Considerations. Government proposes to achieve the EFA targets in terms of increased enrollment through the provision of additional facilities/schools and the expansion of existing ones. This entails an effective infrastructure development that facilitates, in an equitable manner, the construction, rehabilitation and maintenance of the education sector's physical assets.

4.1.4 The NIF strategic priorities form the four pillars of access, quality, efficiency and quality and each education sub-sector has clear objectives and priorities during the FNDP. In the high school education sub-sector, the provision of more classrooms and the training of teachers are the key investment areas.

4.1.5 Mkushi is one of the areas which qualified for the construction of a boarding high school.

4.1.6 The budget for the construction of Kawama Basic School is ZMK 180 million

4.2 Procurement of Consulting Services

- The Ministry of Education, through the School Infrastructure Section, has the capacity to undertake the design and supervision of most of its projects as it has architects, engineers, quantity surveyors etc.
- The decision whether or not to undertake a project internally is largely determined by the community
- The designs of the community basic schools is done by obtaining low cost standard design from the DEDS office or develop their own in consultation with Buildings Officers at DEBS office.

4.3 Procurement of Works Contractors

- 4.3.1 The project management Committee advertises the project in order to engage skilled labour
- 4.3.2 The adverts are placed at the school. DEBs office and other public buildings within the vicinity of the school.
- 4.3.3 School/boards are not permitted to charge for submission of bids.
- 4.3.4 The criterion does not permit individual contractors to offer contract sums for the works to be carried out.
- 4.3.5 The school infrastructure section has prescribed amounts to be paid after each stage of works has been done
- 4.3.6 The school/board only pay for the work done by the contractor after the District building officer has certified the works
- 4.3.7 The project committee should design a form which should compare the experience, number of qualified staff, membership to NCC, number of jobs so far etc., to identify the contractor to be recommended to the district tender committee.
- 4.3.8 The budget for the construction of 1x3 classroom block (community mode approach) is a fixed amount of ZMK 180,000,000.00 with 25% being labour charge.

4.4 Project Design and Supervision

- 4.4.1 Project design was undertaken by the Infrastructure Department at the Ministry of Education Head Quarters. The design is the same for all basic schools to be built throughout the country.

4.4.2 The supervision of the works is being undertaken by the Project Management Committee.

4.5 Works Contract

4.5.1 There are no tender documents to establish which categories of companies registered with NCC were invited. No further information is available to show the tender closing date.

4.5.2 There is no evaluation report to show how K & M Central Merchants Ltd was selected.

4.5.3 There is no contract document to show the type of contract entered in and the date of signing the contract between the Ministry of Education (PMC) and K & M Central Merchants Ltd.

4.5.4 Since there are no documents disclosed on this project, we are not satisfied that the appointment of K & M Central Merchants Ltd as a contractor for the construction of 1x3 classroom at Kawama Basic School in Mkushi, Central Province was accurate.

5. DATA ANALYSIS

5.1 Project Design and Supervision

- 5.1.1 The design of 1x3 classroom block is a standard design for all basic schools to be built throughout the Country.
- 5.1.2 The Infrastructure Department has in place procedures to ensure that project costs, quality and time frame are kept within contract terms and conditions.
- 5.1.3 To assure quality of building materials, doors and roofing sheets are prescribed by the Infrastructure and should be 0.5mm thick.
- 5.1.4 The standard design adopted by the Ministry meant that specifications had to be reviewed at site in order to take into account site conditions.

5.2 Works Contract

- 5.2.1 The tender for the construction of 1x3 classrom block at Kawama Basic School in Mkushi was opened and closed in 2009.
- 5.2.2 At the time of the site visit in June 2010, the contractor was plastering the walls and fitting window frames.
- 5.2.3 The tender was open to construction companies with the following prequalification:

Past Experience

- I. The number of similar jobs they have done,
- II. Current jobs and their status
- III. The performance in terms of meeting the contract time in delivering the product
- IV. The contractor must be a current member of the National Council for Construction

Professional staff

- I. The number and quality of professional staff they use to carry out the works if offered
 - II. The experience of staff to be engaged on the contract
- 5.2.4 The bids received are evaluated in accordance with the contractor's past experience and professional staff. However there is no documentation to disclose how many bids were received.
 - 5.2.5 There is no documentation to show the form of contract signed between the Project Management Committee (PMC) and K & M Central

Merchants Ltd and the amounts to be paid at each stage of construction

5.2.6 There is no documentation to fully describe and satisfy the appointment of K & M Central Merchants Ltd as contractor for the construction of Kawama Basic School in Mkushi, Central Province.

~~5.2.7~~ Although there was no payment made disclosed, from the general guideline from the Ministry Of Education, the contractor was due for certificate no.5 which should cater for plastering amounting to ZMK 4,032,000

5.3 Issues of concern

5.3.1 The quality of workmanship was not impressive. The plaster was not so neatly done.

5.3.2 There are no test samples taken to independent laboratories to assure quality of building materials.

5.3.3 There is no construction program both with the contractor and the PMC making it difficult to establish the completion date.

5.3.4 The records for payments were not available.

5.3.5 There is no works program.

APPENDIX I: MATERIAL PROJECT INFORMATION

B3 Project Name: KAWAMA BASIC SCHOOL, MKUSHI

1	<i>Project Identification</i>	
	Project Specification	Construction of 1x3 Classroom
	Purpose	Provide basic education to the community
	Location	Mkushi-Central Province
	Intended Beneficiaries	Basic School pupils
	Specification	No information
	Feasibility Study	No information
2	<i>Funding</i>	
	Financing Agreement	Government of Zambia
	Budget	ZMK 180,000,000
	Engineer's Estimate	No information
3	<i>Tender Process for the Contract for Project Design</i>	
	Tender procedure	In House
	Number expressing interest	N/A
	Number short listed	N/A
	Number submitting tender	N/A
4	<i>Tender Process for the Contract for Project Supervision</i>	
	Tender procedure	In House
	Number expressing interest	N/A
	Number short listed	N/A
	Number submitting tender	N/A
5	<i>Tender Process for the Main Contract of Works</i>	
	Tender procedure	Community Based, Labour- Only
	Number expressing interest	No information
	Number short listed	No information
	Number submitting tender	No information
	List of tenderers	No information
	Tender evaluation report	No information
6	<i>Details of the Contract Award: Project Design</i>	
	Name of main consultant	
	Contract price	No information
	Contract scope of work	
	Contract programme	
7	<i>Details of the Contract Award: Project Supervision</i>	

	Name of main consultant	N/A
	Contract price	N/A
	Contract scope of work	N/A
	Contract programme	N/A
8	<i>Details of Contract Award: Main Contract for Works</i>	
	Name of main contractor	K & M Central Merchants Ltd
	Contract price	ZMK 25, 000, 000 (Labour-only)
	Contract scope of work	Construction of 1x3 Classroom
	Contract programme	
9	<i>Execution of the Contract: Project Supervision</i>	
	Significant Changes to Contract Price, Programme, Scope with Reasons	
10	<i>Execution of Contract: Main Contract for Works</i>	
	Individual changes to Contract which affect the price and reason for those changes	N/A
	Individual changes to the contract which affect the programme and reasons for those changes	N/A
	Details of any re-award of main contract	N/A
11	<i>Post Contract Completion Details: Main Contract for Works</i>	
	Actual Contract Price	
	Total Payments made	No Information
	Actual contract scope of work	
	Actual contract programme	
	Project Evaluation Reports (on-going and on completion)	

APPENDIX II: SCHEDULE OF DOCUMENTS DISCLOSED

S/N	Description	Date released
1.	2010 Infrastructure Operational Development Plan	August 2010
2.	National Implementation Framework 2008-2010	August 2010
3	Operational Guideline for Community Schools	September 2010

GUIDELINE ON PAYMENTS

Item No	Stage	Amount
1	Substructure	ZMK 5, 292, 000
2	Superstructure	ZMK 4, 788, 000
3	Roofing	ZMK 3, 528, 000
4	Metalwork	ZMK 3, 270, 000
5	Plastering	ZMK 4, 032, 000
6	Doors, locks and painting	ZMK 3, 024, 000

APPENDIX III: PHOTO GALLERY



Plate 1: Poor external plaster on burnt clay brick wall



Plate 2: Internal plaster of the classroom