

In case of reply the number and date of this letter should be quoted

Our Ref. No. JA.137/194/01

Your Ref. No. ....

Tel: 0302 685546

Fax: 0302 685503



Republic of Ghana

MINISTRY OF SANITATION AND  
WATER RESOURCES  
PRIVATE MAIL BOX M 60  
MINISTRIES

20th JULY, 2018

**REQUEST FOR PARLIAMENTARY APPROVAL ON WORKS CONTRACT BETWEEN  
GHANA WATER COMPANY LIMITED AND DENYS ENGINEERS AND CONTRACTORS  
B.V. ON THE UPPER EAST WATER SUPPLY PROJECT**

We submit, herewith, a Parliamentary Memorandum on the works contract between Ghana Water Company Limited and Denys Engineers and Contractors B.V. for the construction of the Upper East Water Supply Project for Parliamentary approval.

2. Please find attached, a copy of the Executive approval and Cabinet decision letter recommending tax exemption for your consideration.
3. We count on your cooperation.
4. Thank you.

A handwritten signature in black ink, appearing to read 'Joseph Obeng - Poku'.

JOSEPH OBENG - POKU  
AG. CHIEF DIRECTOR  
for: MINISTER

THE CLERK TO PARLIAMENT  
PARLIAMENT HOUSE  
ACCRA

cc: Hon. Minister for Parliamentary Affairs  
Hon. Minister of Finance  
Managing Director, GWCL





REPUBLIC OF GHANA

# OFFICE OF THE PRESIDENT



*Honorable Minister*

Jubilee House, Accra  
Tel: +233 (0) 302 738 600  
Tel: +233 (0) 302 738 601  
Digital Address : GA-000-288

Ref. No. OPS 182 Vol. 5/18/953

18<sup>th</sup> July, 2018

## EXECUTIVE APPROVAL ON THE WORKS CONTRACT BETWEEN GHANA WATER COMPANY LIMITED AND DENYS ENGINEERS AND CONTRACTORS B.V.

I refer to your letter dated 13<sup>th</sup> July, 2018, on the subject, "Request for an Executive Approval on the Works Contract between Ghana Water Company Limited and Denys Engineers and Contractors B.V.".

I am pleased to inform you that the President of the Republic has granted executive approval for you to submit the Works Contract between Ghana Water Company Limited (representing Government of Ghana) and Messrs Denys Engineers & Contractors B.V. amounting to Thirty-Three Million, Two Hundred and Fifty Thousand Euros (€33,250,000.00) being the cost component for the "Upper East Region Water Supply Project" to Parliament before Parliament goes on recess by 27<sup>th</sup> July, 2018.

I shall be grateful if you could take requisite action on the above.

Please accept the President's best wishes.

THE HON. MINISTER  
MINISTRY OF SANITATION AND  
WATER RESOURCES  
MINISTRIES, ACCRA

ATTN: HON. JOSEPH KOFI ADDA

NANA BEDIATUO ASANTE  
SECRETARY TO THE PRESIDENT

cc: The Vice President  
Jubilee House, Accra

The Chief of Staff  
Jubilee House, Accra

The Secretary to Cabinet  
Jubilee House, Accra

The Hon. Minister  
Ministry of Finance  
Ministries, Accra



SECRET

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**PARLIAMENTARY MEMORANDUM**

BY THE

MINISTER OF SANITATION AND WATER RESOURCES

ON THE WORKS CONTRACT

BETWEEN

GHANA WATER COMPANY LIMITED

AND

DENYS ENGINEERS AND CONTRACTORS B.V.

**FOR AN AMOUNT OF €33,250,000.00**

FOR THE

**UPPER EAST REGION WATER SUPPLY PROJECT**

JULY 2018



## **1.0 ACTION REQUIRED**

Parliament is respectfully invited to consider, approve and recommend to Cabinet for ratification a Works Agreement between Ghana Water Company Limited (representing Government of Ghana) and Messrs Denys Engineers and Contractors B.V. amounting to **Thirty-Three Million, Two Hundred and Fifty Thousand Euros (€33,250,000.00)** being the cost of the Works Component for the "Upper East Region Water Supply Project".

## **2.0 BACKGROUND**

The Upper East Region over the years has faced perennial water challenges. The major cities of the Region, which include Bolgatanga, Navrongo, Paga and Bongo have been identified by Ghana Water Company Limited (GWCL) as deprived in terms of their access to potable drinking water supply system. The main surface water supply system in the Region; the Veia Dam, which is located between Bolgatanga and Bongo, has inadequate capacity to meet the raw water demands of the fast developing cities, a situation the high population growth rate has exacerbated. The Veia Reservoir, which is the only source of fresh water supply has been exploited to its limits with no room whatsoever for expansion.

In order to adequately supply water to Bolgatanga, Navrongo, Paga, Bongo and their surrounding communities, a new raw water source and a new water treatment plant need to be constructed. The Tono irrigation reservoir, which is close to Navrongo and has surplus capacity to meet the water supply needs of the project area has been identified as the new raw water source. This particular system, when developed under this proposed project would be able to accommodate further extensions in the future.

When the new water supply system is constructed, it will supply water to Bolgatanga, Navrongo, Paga and their environs. The existing system at Veia would be dedicated to supplying Bongo and its environs. The two systems would thus be adequate to address the perennial water supply challenges in the project area with population of 180,015 up to year 2030.





The project, which is captured in the strategic investment plan of GWCL, is in with the government's policy of providing potable water supply to deprived communities throughout the country. The Netherlands Government through ORID provided a 35% of the project cost as grant to the Government of Ghana. It is worth noting that Cabinet and Parliamentary approvals have been given for the Credit Agreement of this project.

### **3.0 OBJECTIVES**

The objective of the project is to develop a water supply system that provides the people in the project area with sufficient and reliable drinking water to year 2030, which culminates in: -

- i. Provision of an essential basic infrastructure (water system)
- ii. Improving the health of the inhabitants in the project area
- iii. Economic stimulus for existing companies and industries and new companies
- iv. Improving the standard of living of women and children in the Region

### **4.0 PROJECT DESCRIPTION**

The project involves the design and construction of a new water supply system including intake, water treatment plant, transmission pipelines and distribution pipe network. The scope of work on the project would include the following: -

- i. New raw water intake at the Tono reservoir (436m<sup>3</sup>/h, raw water capacity), including pumping station and raw water transmission pipeline. Raw water to be treated at the new Tono water treatment plant will be supplied from the Tono reservoir from an intake tower, which is provided with raw water pumps.
- ii. Design and construction of a new water treatment plant located at Navrongo (412m<sup>3</sup>/h clear water capacity).



- iii. Rehabilitation of the existing Vea water treatment plant (approx. 38m<sup>3</sup>/h clear water capacity).
- iv. Design and construction of 67km of new transmission pipelines to transport drinking water from the Tono water treatment plant to the supply areas in Navrongo, Bolgatanga and Paga.
- v. Design and construction of 50km new distribution network to transport drinking water to consumers in Navrongo, Bolgatanga and Paga.
- vi. Design and construction of 3 new elevated reservoir and;
- vii. Provision of 400No. standpipes.

## **5.0 EXPECTED BENEFITS**

The provision of a potable water supply system to serve the people of Bolgatanga, Navrongo, Bongo, Paga and their environs will lead to a reduction of the prevalence of common water-borne diseases as well as reduce the stress of having to travel long distances in search of water. This would also help reduce the pressure in health facilities in the Region as a result of reduction in water-related diseases.

Additionally, the provision of the water supply system would help improve economic activities within the catchment areas of the project since time, which would have otherwise been used in search of water would be put into more productive use.

Jobs will be created during the construction period and help to reduce the unemployment rate in the country.

## **6.0 INTER-MINISTERIAL CONSULTATIONS RECORD**

The Credit Facility Agreement has been appraised and negotiated with representatives from the Attorney-General's Department, External Resources Mobilization Division, Legal Division and Debt Management Division of the Ministry of Sanitation and Water Resources. Subsequently, Cabinet and Parliamentary approvals have been given for the Credit Facility Agreement already.



**SECRET**

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In addition, Cabinet has approved the request by the Ministry of Finance to seek Parliamentary approval for the tax waiver liability on equipment and materials for the implementation of the project, which the Ministry of Finance is in the process of securing parliamentary approval for.

**7.0 CONCLUSION**

In view of the benefits to be derived from the implementation of the project, especially in improving the drinking water situation of the people in the Upper East Region, Parliament is respectfully requested to consider and approve the Works Agreement as stated in paragraph one (1) above.



.....  
**JOSEPH KOFI ADDA (MP)**  
**MINISTER OF SANITATION AND**  
**WATER RESOURCES**

19<sup>th</sup>  
**JULY 2018**



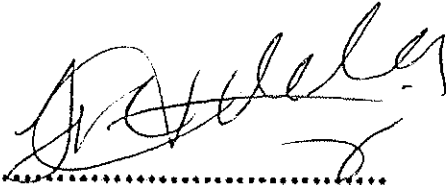
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In addition, Cabinet has approved the request by the Ministry of Finance to seek Parliamentary approval for the tax waiver liability on equipment and materials for the implementation of the project, which the Ministry of Finance is in the process of securing parliamentary approval for.

**7.0 CONCLUSION**

In view of the benefits to be derived from the implementation of the project, especially in improving the drinking water situation of the people in the Upper East Region, Parliament is respectfully requested to consider and approve the Works Agreement as stated in paragraph one (1) above.



.....  
**JOSEPH KOFI ADDA (MP)**  
**MINISTER OF SANITATION AND**  
**WATER RESOURCES**

19<sup>th</sup>  
JULY 2018







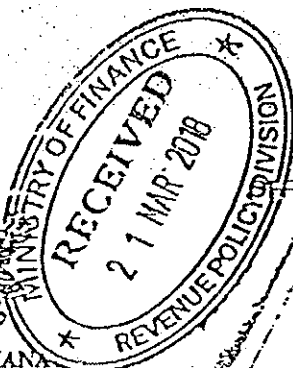
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number and date of this  
letter should be quoted

My Ref. No OPCA.3/3/120318

Your Ref. No \_\_\_\_\_



REPUBLIC OF GHANA



OFFICE OF THE PRESIDENT  
P.O. BOX 1627  
ACCRA  
TEL: 0302-201000/2

7

**CONFIDENTIAL**

12<sup>th</sup> March, 2018

WAIVER OF TAX LIABILITY ON EQUIPMENT/MATERIALS TO BE IMPORTED  
IN RESPECT OF THE IMPLEMENTATION OF THE UPPER EAST REGION  
WATER SUPPLY PROJECT

Cabinet at its Twenty-eighth meeting held on Thursday, 8<sup>th</sup> March, 2018 discussed a report presented by the Cabinet Committee on Economic Matters on a Memorandum submitted by the Minister for Finance on the above subject.

2. The Memorandum requested Cabinet to consider, approve and recommend to Parliament, the request for the waiver of the tax liability of Six Million, Nine Hundred and Sixty-Nine Thousand, Four hundred and Six Euros (€6,969,406.00) on equipment and materials to be imported in respect of the implementation of the Upper East Region Water Supply project.

3. Cabinet approved the Memorandum and recommended same to Parliament for consideration.

4. I should be grateful if you could take requisite action on the decision by Cabinet.

MERCY DEBRAH-KARIKARI  
SECRETARY TO THE CABINET

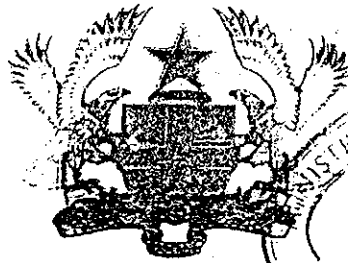
THE HON. MINISTER FOR FINANCE

- cc: Chief of Staff  
Secretary to the President  
Secretary to the Vice President  
The Hon. Minister for Sanitation  
and Water Resources  
The Chairperson, Economic  
Committee of Cabinet



in reply the  
number and date of this  
letter should be quoted

Our Ref. No: ERM-B/L/EMSP/18/06  
our Ref  
of No: 6802-2747197 ext 6122



REPUBLIC OF GHANA

MINISTRY OF FINANCE

P. O. BOX MB 40

ACCRA



June, 2018

**REQUEST FOR CABINET AND PARLIAMENTARY APPROVALS FOR THE  
COMMERCIAL CONTRACT OF THE UPPER EAST REGION WATER SUPPLY  
PROJECT**

We refer to the Ghana Water Company Limited (GWCL) letter No. MD 404 v.19/112 dated 24th August, 2017 which requested for tax waiver in respect of the Upper East Region Water Supply Project.

2. As requested, Cabinet has approved the tax waiver liability on equipment and materials for the implementation of the above mentioned project in the sum of EUR 6,969,406.00 (copy of Cabinet approval attached). The Ministry is in the process of securing Parliamentary Approval for same.
3. However, in the course of securing the Parliamentary Approval our attention has been drawn to the fact that Parliament has to approve the Commercial Contract as well.
4. We are therefore, by this letter requesting the Ministry of Sanitation and Water Resources (MSWR) to arrange and submit the Commercial Contract to Cabinet and Parliament for the required approvals to enable us continue with the process of acquiring Parliamentary approval for the tax waiver.
5. Your urgent attention would be appreciated.
6. We continue to count on your cooperation.

**YVONNE QUANSAH (MS)**  
**DIRECTOR, ERM-BILATERAL**  
*For: MINISTER*

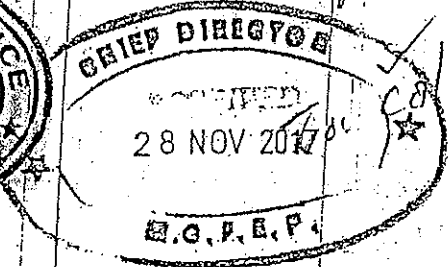
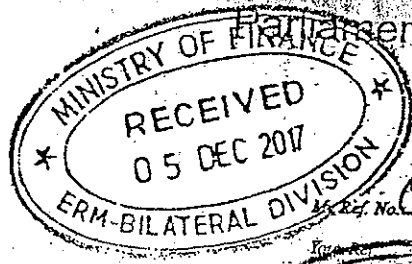
**CHIEF DIRECTOR**  
**MINISTRY OF SANITATION**  
**AND WATER RESOURCES**  
**ACCRA**

cc: Hon. Minister, MoF  
Hon. Minister, MSWR  
Hon. Dep. Ministers, MoF  
Managing Director, GWCL





# PARLIAMENTARY SERVICE



In case of reply the number and date of this letter should be quoted

Telephone No. 0302 664184 (4lines)  
Fax No. 0302 663957

OP/HR/0285

16th Nov 2017

THE HON. MINISTER  
MINISTRY OF FINANCE  
ACCRA.

Hon. Minister,

CREDENDO-BACKED EXPORT CREDIT FACILITY AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA AND THE ING BANK OF BELGIUM SA/NV FOR AN AMOUNT OF TWENTY-FIVE MILLION, THREE HUNDRED AND FORTY-ONE THOUSAND, NINE HUNDRED AND FIFTY-EIGHT EUROS (€25,341,958.00) BEING LOAN COMPONENT OF THE TOTAL PROJECT COST OF THIRTY-SEVEN MILLION, SIX HUNDRED AND EIGHTY-THREE THOUSAND, TWO HUNDRED SIXTY-SIX EUROS (€37,683,266.00) TO FINANCE THE NAVRONGO (UPPER EAST) WATER SUPPLY PROJECT

Parliament at its Twenty-Sixth Sitting of the Third Meeting held on Tuesday, 14<sup>th</sup> November 2017, approved by resolution the Credendo-Backed Export Credit Facility Agreement between the Government of the Republic of Ghana and the ING Bank of Belgium SA/NV for an amount of Twenty-Five Million, Three Hundred and Forty-One Thousand, Nine Hundred and Fifty-Eight Euros (€25,341,958.00) being loan component of the total project cost of Thirty-Seven Million, Six Hundred and Eighty-Three Thousand, Two Hundred Sixty-Six Euros (€37,683,266.00) to finance the Navrongo (Upper East) Water Supply Project.

I am directed to forward to you the text of the Resolution as follows:

### WHEREAS

1. By the provisions of Article 181 of the Constitution and Sections 55 and 56 of the Public Financial Management Act, 2016 (Act 921), the terms and conditions of all government borrowings shall be laid before Parliament and shall not come into operation unless the terms and conditions are approved by a resolution of Parliament in accordance with article 181 of the Constitution;
2. Pursuant to the provisions of the said Article 181 of the Constitution and Sections 55 and 56 of the Public Financial Management Act, 2016 (Act 921), at the request of the Government of the Republic Ghana acting through the Minister responsible for Finance, there has been laid before Parliament the terms and conditions of a Credendo-Backed

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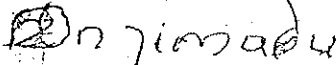
Export Credit Facility Agreement between the Government of the Republic of Ghana and the ING Bank of Belgium SA/NV for an amount of Twenty-Five Million, Three Hundred and Forty-One Thousand, Nine Hundred and Fifty-Eight Euros (€25,341,958.00) being loan component of the total project cost of Thirty-Seven Million, Six Hundred and Eighty-Three Thousand, Two Hundred Sixty-Six Euros (€37,683,266.00) to finance the Navrongo (Upper East) Water Supply Project.

**THIS HONOURABLE HOUSE HEREBY RESOLVES AS FOLLOWS:**

In accordance with the provisions of the said Article 181 of the Constitution and Sections 55 and 56 of the Public Financial Management Act, 2016 (Act 921), this House approves the Credendo-Backed Export Credit Facility Agreement between the Government of the Republic of Ghana and the ING Bank of Belgium SA/NV for an amount of Twenty-Five Million, Three Hundred and Forty-One Thousand, Nine Hundred and Fifty-Eight Euros (€25,341,958.00) being loan component of the total project cost of Thirty-Seven Million, Six Hundred and Eighty-Three Thousand, Two Hundred Sixty-Six Euros (€37,683,266.00) to finance the Navrongo (Upper East) Water Supply Project.

The Resolution is respectfully submitted for your appropriate action.

Yours sincerely,



**EMMANUEL ANYIMADU  
CLERK TO PARLIAMENT**

Cc: Hon. Minister for Sanitation and Water Resources.

Hon. Minister for Parliamentary Affairs.





**CONFIDENTIAL**

*In case of any discrepancy  
between the text of this  
letter and the printed  
form, the printed form  
shall prevail.*



OFFICE OF THE PRESIDENT  
P.O. BOX 1627  
ACCRA  
TEL: 0302-231000/2

13 October, 2017.

CREDIT FACILITY AGREEMENT BETWEEN GOVERNMENT OF GHANA AND ING BANK OF BELGIUM FOR AN AMOUNT OF €25,341,958.00 BEING LOAN COMPONENT OF THE TOTAL PROJECT COST OF €37,683,266.00 FOR THE NAVRONGO (UPPER EAST) WATER SUPPLY PROJECT

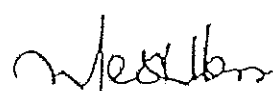
Cabinet at its Eighteenth Meeting, held on Thursday, 12<sup>th</sup> October, 2017, discussed the report presented by the Cabinet Committee on Economic Matters on the above Memorandum jointly submitted by the Ministers for Finance and Sanitation and Water Resources.

2. The Memorandum requested for Cabinet Approval for a credit facility agreement of an amount of Twenty-five Million, Three Hundred and Forty-one Thousand, Nine Hundred and Fifty-eight Euros (€25,341,958.00) from ING Bank N.V. of Belgium for the financing of the Navrongo (Upper East) Water Supply Project.

3. Cabinet noted that the amount of Twelve Million, Three Hundred and Forty-one Thousand, Three Hundred and Eight Euros (€12,341,308.00) constitutes grant element from the Netherlands Government, bringing the total funds for the project to €37,683,266.00.

4. Cabinet approved the credit facility of €25,341,958.00 and the grant of €12,341,308.00 for the Navrongo (Upper East) Water Supply Project and recommended same to Parliament for consideration.

5. I should be grateful if you could take requisite action on the decision by Cabinet.

  
MERCY DEBRAH-KARIKARI  
SECRETARY TO THE CABINET

THE HON. MINISTER FINANCE  
THE HON. MINISTER FOR SANITATION  
AND WATER RESOURCES

cc: Chief of Staff  
Secretary to the President  
Secretary to the Vice President  
Chairman, Cabinet Committee on  
Economic Matters



# GHANA WATER COMPANY LIMITED

Main Bankers: GCB Bank Ltd  
Societe Generale Ghana  
National Investment Bank



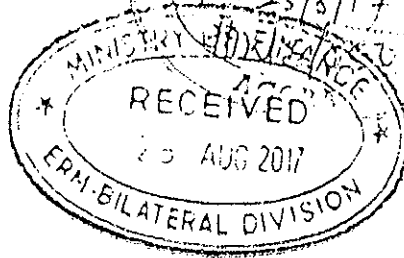
Head Office  
Post Office Box MB 194  
Accra - Ghana  
West Africa

My Ref. No.: MA 402/17/112

25 August, 2017

Your Ref. No.: .....

THE CHIEF DIRECTOR  
MINISTRY OF FINANCE  
P.O. BOX M, 60  
ACCRA



ATTN: YVONNE QUANSAH (MS)  
DIRECTOR ERM BILATERAL

Dear Sir,

## SUBMISSION OF TAX ASSESSEMENT FOR THE IMPLEMENTATION OF UPPER-EAST REGION WATER SUPPLY PROJECT

Attached, please find for your kind attention and necessary action, tax assessments for the imported and locally purchased project equipment and materials as well corporate and expatriate taxes and in respect of the above-mentioned project.

Copies of the relevant documents are attached for your kind action

We count on your co-operation

Yours faithfully,

ING. DR. CLIFFORD BRAIMAH  
AG. MANAGING DIRECTOR

cc: Deputy Managing Director (Ops)  
Deputy Managing Director (F&A)  
Chief Manager (PPD)  
Ag. Chief Manager (Materials)

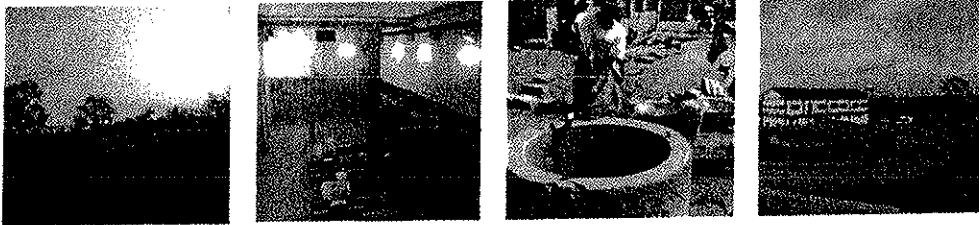


**DENYS**

Ghana Water Company Ltd.  
Upper East Water Supply System

## CONTRACT DOCUMENTS

WaterWorks

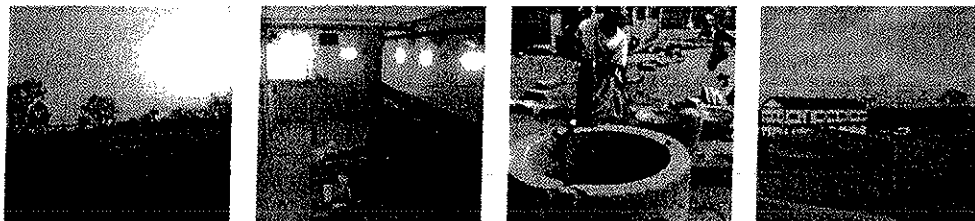


Ghana Water Company Ltd.  
Upper East Water Supply System

## CONTRACT DOCUMENTS

### a) Contract Agreement

WaterWorks



# CONTRACT AGREEMENT

THIS AGREEMENT made the 27<sup>th</sup> day of October, 2017, between **GHANA WATER COMPANY LIMITED**, a limited liability company wholly owned by the Government of Ghana and established under the laws of the Republic of Ghana having its principal place of business at 28th February Road, Ministries of P.O. Box M194, Accra acting by its **MANAGING DIRECTOR** (hereinafter "the Employer"), of the one part, and

**MESSRS DENYS ENGINEERS & CONTRACTORS BV**, of Darwinstraat 5 NL-2722 PX Zoetermeer, Netherlands, acting by its **PROJECT MANAGER** (hereinafter "the Contractor"), of the other part;

WHEREAS the Employer desires that the Works known as **UPPER EAST REGION WATER SUPPLY SYSTEM** should be executed by the Contractor, and has accepted a Tender by the Contractor for the execution and completion of these Works and the remedying of any defects therein,

The Employer and the Contractor agree as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement:
  - a) Contract Agreement
  - b) Minutes of the Negotiation Meeting
  - c) Conditions of Particular Application and Appendix
  - d) General Conditions of Contract as per "Conditions of Contract for EPC/Turnkey Projects", First Edition 1999, published by FIDIC
  - e) Contractor's Tender as approved by the Employer
3. The **Contract Price** is **€33,250,000.00 (Thirty-three Million, Two Hundred and Fifty thousand Euro)**. The **Financing Costs** amount to **€4,433,266.00 (Four Million, Four hundred and Thirty-three thousand, Two Hundred and Sixty-Six Euro)**. *The Sum of the two being €37,683,266.00 (Thirty-Seven Million, Six Hundred and Eighty-Three Thousand, Two Hundred and Sixty-Six Euro)*
4. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to design, execute and complete the Works and remedy and defects therein, in conformity with the provisions of the Contract.
5. The Employer hereby covenants to pay the Contractor, in consideration of the execution and completion of the Works and the remedying of defects therein, the Contract Price at the times and in the manner prescribed by the Contract.
6. The conditions necessary for the Contract, to come into full force and effect are:
  - a) Signed Contract Agreement.
  - b) Parliamentary Approval



- c) Written agreement and confirmation of the subsidy from the Dutch Government
- d) Written agreement between the ING Bank and Ministry of Finance of Ghana about the commercial loan
- e) Confirmation that the commercial loan and the contract are covered by the credit insurance company, Credendo.
- f) Advance payment received by the Contractor after receipt of Advance Payment Bond by Employer.
- g) Delivery of the Performance Guarantee of the Contract.

7. The date on which all these conditions shall be satisfied shall be the Effective Date of Contract, i.e. the date on which the Contract comes into full force and effect. Both Parties shall confirm the date of effectiveness in writing accordingly.

In Witness whereof the parties hereto have caused this Agreement to be executed the day and year first above written in accordance with the laws of Ghana.

Signed by *A Brains*  
 (For and on behalf of the Employer)  
**MANAGING DIRECTOR**  
**GHANA WATER COMPANY LTD.**  
**ACCRA - GHANA**

Signed by *A Morange*  
 (For and on behalf of the Contractor)  
**DENYS ENGINEERS & CONTRACTORS BV**  
 Darwinstraat 5  
 NL-2722 PX ZOETERMEER  
 T +31 79 331 55 93  
 F +31 79 331 43 04

In the presence of:  
*Jemima Toigapa*  
 Name: JEMIMA TOIGAPA (FES)  
 CHIEF MANAGER (LEGAL SERVICES)  
 GHANA WATER COMPANY LTD.  
 P. O. BOX MB 194  
 Signature: ACCRA

Address: .....  
 .....  
 .....

In the presence of:  
*SAMUEL SACKY*  
 Name: SAMUEL SACKY  
*[Signature]*  
 Signature: .....  
*P.O. Box 051457*  
*OSU*  
*ACCRA GHANA*

Address: .....  
 .....  
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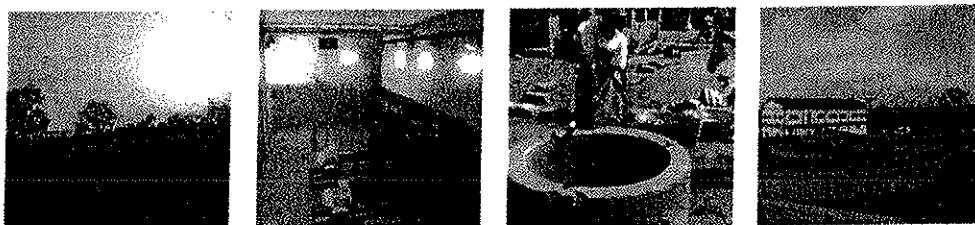


Ghana Water Company Ltd.  
Upper East Water Supply System

## CONTRACT DOCUMENTS

### b) Minutes of Negotiations

WaterWorks



# **GHANA WATER COMPANY LIMITED**

## **UPPER EAST REGION WATER SUPPLY PROJECT**

### **MINUTES OF NEGOTIATION BETWEEN GWCL AND MESSRS DENYS HELD ON 23<sup>RD</sup> JANUARY, 2014.**

#### 1.0 Introduction

Upper East Region Water Supply Project is part of GWCL's Strategic Investment Plan (SIP) to provide potable water in response to the growing water demands of the major cities in the region namely; Bolgatanga, Bongo, Navrongo, Paga and their immediate environs. It involves the design and construction of a new water supply system, including intake, water treatment plant, transmission and distribution pipe network.

ORIO, a Dutch funding agency under the responsibility of the Ministry for Development Co-operation is funding the development and implementation phases. Since 2009, the development phase which includes feasibility and preliminary design has been financed fully by ORIO. As part of policy, ORIO will provide 35% of the cost of constructing the project, and the successful contractor will source for the 65% funding from a commercial bank for the implementation phase.

#### 2.0 Tendering process

The Prequalification process to select contractors to execute the works was initially opened on 23rd December, 2010. Adverts were made during this period and by the deadline of 31st January, 2011, three firms submitted applications and were prequalified, namely Messrs. Arab Contractors, Messrs. China Geo-Engineering Company and Messrs Denys.

ORIO subsequently requested for further prequalification to be made in order to prequalify 2 to 3 additional companies to the 3 firms already prequalified.

Advertisements were placed in the UN Development Business, Ghana Public Procurement Authority website and the national dailies. Seven (7) firms purchased the prequalification documents and two firms submitted by the deadline. The three firms who were earlier prequalified were also requested to update their information.

By the close of submission of prequalification application on the 5th of October, 2012, only four firms responded; Messrs Denys and Messrs China Geo-Engineering Company who were initially prequalified and Messrs Murray and Roberts and Fungtai Engineering Company.

The four (4) responsive firms were therefore evaluated. Two firms were finally prequalified for the implementation phase. These were Messrs Denys and Messrs China Geo-Engineering Company.



The prequalified firms were invited to bid for the project. By the deadline of submission on 26<sup>th</sup> August, 2013 both firms responded. Upon evaluation of bids, Messrs Denys emerged the successful bidder.

### 3.0 Negotiations

GWCL invited Messrs Denys for negotiations on the 23<sup>rd</sup> of January, 2014 at the Conference room of GWCL.

Members present:

GWCL

1. Fred C. Lokko	Chief Manager (PPD)
2. Michael Botse-Baidoo	Manager (PCCM)
3. Suleiman A. Inusah	Chief Quantity Surveyor
4. Tenkorang Somuah	Assistant Engineer
5. Isaac Apenyo	Assistant Engineer

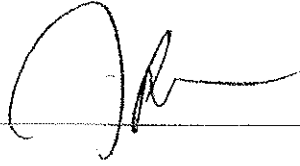
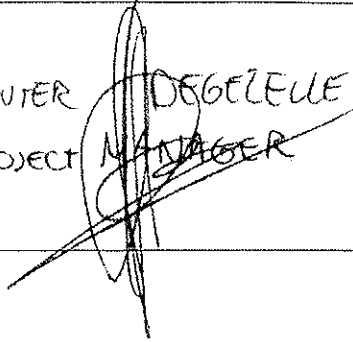
Denys

1. Wouter Degezelle	Senior Project Manager
2. Bart De Smedt	Director, Division Manager (Sub Saharan Africa)

Summary of minutes of negotiations is attached

1	<b>Preparation of an Environmental and Social Impact Assessment (ESIA) report</b>		
There was an ESIA submitted in the report which was for a similar project executed in Ghana. GWCL needed clarification on that.	Denys confirms that a full ESIA is part of the Process and Civil design of the project, which will be done after signing of the contract. The ESIA submitted in the bid was a sample of how the final ESIA will be conducted.	Agreed that ESIA is a requirement for this project and that will be done during the implementation stage.	
2.	<b>QHSE certificates</b>		
Contractor is to ensure that they have QHSE certificates for all projects executed in the country.	This was not part of the qualification requirement as mentioned in Section III – Evaluation and qualification criteria of tender document. However, as a miscellaneous item, Denys included some certificates received on Quality Management System, Environmental Management System, Occupational Health and Safety Management System and Safety Management System in Chapter 7 to assure GWCL that Denys always works according to internationally accepted QHSE standards.	Agreed	
3.	<b>Laboratory Equipment</b>		
Provision of laboratory equipment as part of Client's facility	Denys confirms that the provision of laboratory equipment is catered for as mentioned under item 1.2 of the Bill of Quantities of the bid.	Agreed that the Bill item 1.2; Client's facilities should be broken down and prices allocated on each line item instead of lumping them up. This is to make sure the amount stated is enough for the items requested. The meeting also agreed that the amount allocated for Client's facilities will not be enough to cater for Engineers supervision. A separate provision is to be made for the cost of supervision.	

4	<b>Completion of Curriculum Vitae (CV)</b>		
	The completion of CV's presented for Electromechanical Engineer, Civil Works Engineer and Logistics Manager.	CV's presented for the Electromechanical Engineer, Civil Works Engineer and Logistics Manager only covered experiences acquired from working with Denys. Denys however, added that there are other years of experiences in their respective fields acquired from earlier employments which would be presented.	Agreed that the CVs should be completed and resubmitted.
5	<b>Bank Declaration sheet</b>		
	Bank declaration sheet from BNP Paribas proving your line of credit (Euro 60 mil) is not signed and a disclaimer has been issued that the bank cannot be held liable for any inaccuracy in the information given	The second page was omitted perhaps in compiling the bid document. The omission will be resubmitted. The Disclaimer issued in the Bank Declaration sheet is a standard phrase to indicate that the Bank cannot be held liable if the information given by Denys to them should have any inaccuracies. It does not mean the information supplied by the Bank could be inaccurate but it is a standard bank disclaimer that they are not responsible for information supplied by them on the assessment of Denys' line of credit.	Agreed that the omitted page should be inserted.
6	<b>Drinking water quality standards</b>		
	The preferred Drinking water quality criteria to be used should be Ghana Drinking Water Standard (GDWS) and not WHO	Denys confirms that they will conform to the Ghana Drinking Water Standards which is stricter than the WHO guidelines.	Denys confirmed that the design conforms to GDWS guidelines
7.	<b>Other Matters</b>		
	GWCL requested that vehicles that will be provided under the project will have to be approved before they are purchased	Denys indicated that this has already been catered for in the client's facility	Denys agreed to submit specifications of the vehicles for GWCL's approval.

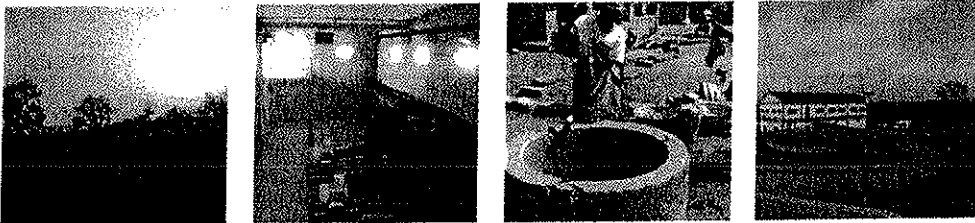
<b>GWCL</b>	<b>DENYS</b>
<b>NAME:</b> Fred L. K... 	<b>NAME:</b> Wouter DEGELEUE SENIOR PROJECT MANAGER 
<b>SIGNATURE:</b>	<b>SIGNATURE:</b>

Ghana Water Company Ltd.  
Upper East Water Supply System

## CONTRACT DOCUMENTS

### c) General Conditions

The conditions known as the “General Conditions” which form part of the “Conditions of Contract for EPC/Turnkey Projects” First Edition 1999, published by Fédération Internationale des Ingénieurs-Conseils as varied by the Conditions of Particular Application.







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GENERAL CONDITIONS

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GUIDANCE FOR THE  
PREPARATION OF  
PARTICULAR CONDITIONS

Conditions of Contract  
for **EPC/Turnkey Projects**

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FORMS OF LETTER OF  
TENDER, CONTRACT  
AGREEMENT AND  
DISPUTE ADJUDICATION  
AGREEMENT

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First Edition 1999  
ISBN 2-88432-021-0

FEDERATION INTERNATIONALE DES INGENIEURS-CONSEILS  
INTERNATIONAL FEDERATION OF CONSULTING ENGINEERS  
INTERNATIONALE VEREINIGUNG BERATENDER INGENIEURE  
FEDERACION INTERNACIONAL DE INGENIEROS CONSULTORES



## ERRATA to the First Edition, 1999

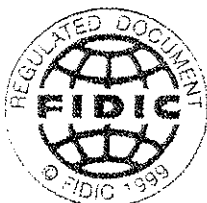
The following significant errata are corrected in this reprinting of the First Edition of the EPC/Turnkey Contract. Several minor typographical errors and layout irregularities have also been corrected.

### GENERAL PROVISIONS

- Page 36 In the title of Sub-Clause 14.2, delete "Advanced" and substitute "Advance".
- Page 54 In the fifth line of the fifth paragraph, after "Clause 20.4", insert the italicised title "[*Obtaining Dispute Adjudication Board's Decision*]".  
Sub-Clause 20.4: in the fifth line, delete each of the italicised acronyms "DAB" and substitute the italicised "*Dispute Adjudication Board*".
- Page 55 In the third paragraph: in the second line, delete the word "the" from the phrase "General Conditions of the Dispute Adjudication Agreement"; and in the sixth line, delete "Member" and substitute "member".
- Page 59 In sub-paragraph (ii): delete "day's" and substitute "days"; and in the third line, delete "an other" and substitute "another".  
In the middle of the page, delete "Agreement until each member has been paid" and substitute "Agreement until each of the Members has been paid".  
At the end of the next paragraph, after "a decision shall have", insert "been".  
In the last sentence of Clause 6, delete the comma after the phrase "Any such notice".
- Page 68 In the third line of Clause 6, delete the first two words "notice to".

### GUIDANCE FOR THE PREPARATION OF PARTICULAR CONDITIONS

- Annexes Delete "© FIDIC".



Ghana Water Company Ltd.  
Upper East Water Supply System

## CONTRACT DOCUMENTS

### d) Conditions of Particular Application and their Appendix

