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CATHOLIC CHURCH
P. O. Box 12 - HAWASSA (SNNPRS)
ETHIOPIA

Date: 9/2/2011
AWCS/274/03

**Dr. Bruno & Marlene Renner
Martin Hagleitner Huber**

Caritas Austria
International Cooperation/
Diocese of Feldkirch
Wichnergasse 22
A-6800 Feldkirch

Re: Galcha Clinic Laboratory & Guard House Final Report: Project #1060039

Dear Marlene, Bruno and Martin,

Greetings to all of you from everyone here at AWCS! We are now about to enter the 13th month here in Ethiopia, "Paguwame". This year is a leap year in the Ethiopian calendar and so the month will be 6 days instead of the usual 5. It seems like bonus time, so we will need to find a good way to celebrate this bizarre yet fascinating 13th month. Happy Paguwame to you!

Please find attached the final project report for the construction of the Laboratory and Guard room at Galcha Clinic (Project #1060039). The buildings are up and looking great, and the Sisters and staff in Galcha are very happy, especially the laboratory technicians! The large windows are especially liked with much natural light entering into the lab.

We still have not received the additional €1000, but we know that it will come when there is an opportunity, perhaps during your upcoming visit.

On behalf of the people of the Galcha community, we extend our warmest thanks to you and to the generous people at the glass company who worked hard to raise the funds for making possible this contribution to building up quality health care here in the south of Ethiopia. Galcha is the busiest clinic in the whole diocese with over 20,000 patients treated each year. We know that the whole team, both personnel and the Sisters, pour all their hearts into the service, so we thank you especially for giving a 'boost' of encouragement and blessing to them. May God continue to bless you in your service and lives.

Sincerely Yours,

Mark Banga

Social and Development Project Manager
Awassa Catholic Secretariat

Yibeltal Jemberu

Health Coordinator
Awassa Catholic Secretariat



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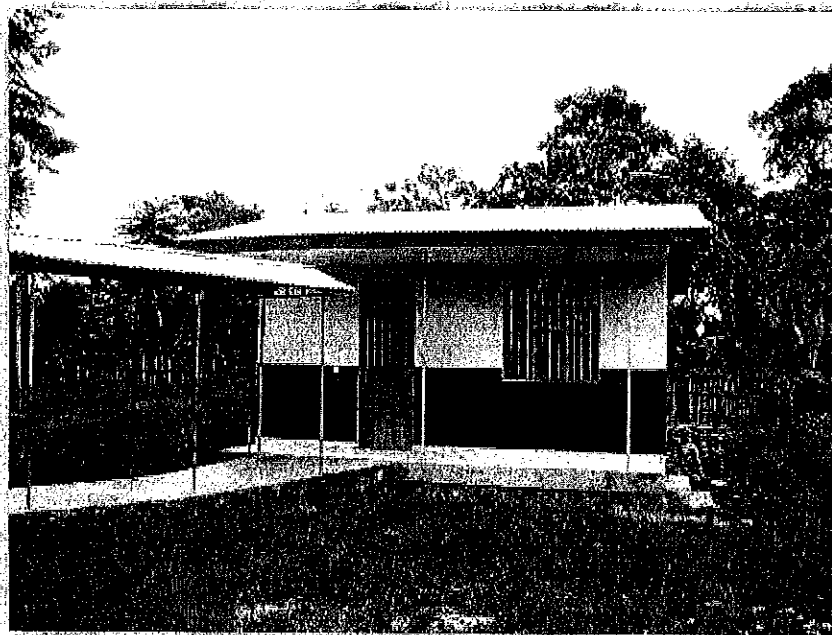
FINAL PROJECT REPORT

To: Dr. Bruno and Marlene Renner
Martin Hagleitner Huber, Caritas Austria

From: Yibeltal Jemberu, Mark Banga, Awassa Catholic Secretariat

Date: 2/9/2011

Subject: Galcha Clinic Laboratory & Guard House Final Report: Project #1060039



Project Summary

After multiple collaboration visits by Dr. Bruno and Marlene Renner, through Caritas Austria, the need for a facility upgrade at the Catholic Clinic of Galcha was identified. In discussion with Sister Hanna, the clinic administrator, Bruno and Marlene planned a project with the goal of supporting the healthcare of the community in the rural area of Galcha through the provision of sufficient healthcare facilities.

Before, the laboratory room was a tiny room with poor ventilation and limited space. The working condition made it difficult for laboratory technicians to complete their work in a adequate and comfortable environment. The small space also limited the amount and type of equipment that could be

accommodated as part of the lab. Secondly, the clinic had been without a facility to house the compound security guards.

These constructions were proposed on December 9, 2011 and after approval, construction began. It was agreed that the Sisters/clinic would contribute and supply furniture and equipment for the new buildings.

The total beneficiaries of this project are the 17,000 clinic patients that required laboratory testing each year and in general the entire population of the region that is served by the clinic of 33,170 people. To make the project a reality, Bruno and Marlene sought the partnership with friends who operate a glass manufacturing company in Austria and through them, the company generously offered to raise the funds together. And they did - Thank you!

Construction Summary

The following 2 buildings were constructed by a general contractor, Ato Wolde Ergicho.

1. Laboratory Room: 6 x 4 m in size with the following specifications:

- Eucalyptus wood roof truss
- 3 metal windows with grill (1.2 x 1.2m)
- 1 standard metal door with lock (0.9 x 2.6m)
- Gutters and 4 corner downpipes
- 1 Lab sink
- Water supply to room
- Chipboard ceiling with battens
- Floor Tiles (20x20x2cm) and window sill

2. Simple guard room at entrance gate to clinic: 2 x 2 m

The final product of the construction is great and the clinic now has a wonderful laboratory facility and guard house. The quality of the buildings are very good and from a technical perspective, we are very satisfied and hope that you will also be when you visit next to Ethiopia. The laboratory is ready for action and the Sisters are completing furnishing and facilitating the move in.

Deviation

The project had one major challenge and deviation. In the course of the project, the Sisters of Galcha discussed some changes and additions to the construction with the contractor that were outside the scope of the contract. And without approval from the Awassa Catholic Secretariat (AWCS), the contractor proceeded with completed the works. The Sisters made a big mistake by requesting these additions outside of the agreed upon project without approval and the contractor also made a big mistake by proceeding with the work without AWCS approval, since his contract was with AWCS not the Sisters.

To remedy the situation, the following was complete. We have modified the contract payments with the contractor and made 2 extra payments for only part of the additions. The proposed project cost to you was 119,085.74 (€5,670.75) and after the additions, the total amount paid by AWCS is 138,814.99, a difference of 19,729.25. For the remaining additions, the Sisters have agreed to cover the full cost, 45,200, through patient fees from the clinic throughout the next year and other means.

Also as agreed, the Sisters will also cover all the furniture costs. After discussion with Bruno and Marlene, they agreed to give an additional €1000 to cover the additional costs incurred by AWCS. This amount has yet to be received but is pending.

This type of budget over-run is not something that is characteristic of AWCS and is simply not acceptable. Cost increases outside of the agreed project scope are not a practice that AWCS will tolerate because it is not something that our donors should need to face. If there is a legitimate change needed to the scope of a project during implementation, then the change must be evaluated properly and discussed with our donors. Then only if additional funding is deemed necessary and is available, should we proceed with a change of scope after approval. We assure you that this type of budget over-run will not be repeated.

Financial Summary

100% of construction payments to the contractor have been paid including the reconciliation of additional items. Please see below the summary of project finances and please see enclosed the copies of the receipts.

Item	Amount (Birr)
1st Contract Payment	45,346.00
2nd Contract Payment	34,009.50
3rd Contract Payment	33,624.50
4th and Final Contract Payment	434.99
Additional Payment #1	10,700.00
<i>- Water line to laboratory sink, plumbing, tile addition, fascia board around roof</i>	
Additional Payment #2	14,700.00
<i>- Addition of 2 m to width, water draining ditch around building</i>	
Total =	138,814.99
Amount of funding received from Caritas Austria (Original Contracted Price)	119085.74 (€5,670.75)
Additional Expenses covered by AWCS	19,729.25
Additional contribution from Bruno & Marlene to cover additional expenses (still to be received)	€ 1,000.00