



REPUBLIC OF ZAMBIA

REPORT

OF THE

PUBLIC ACCOUNTS COMMITTEE

ON THE

**REPORT OF THE AUDITOR GENERAL ON THE ROAD PROJECTS UNDER THE ROAD
DEVELOPMENT AGENCY FOR THE PERIOD JANUARY 2012 TO DECEMBER 2015**

FOR THE

FIRST SESSION OF THE TWELFTH NATIONAL ASSEMBLY

Appointed by the Resolution of the House on 10th October 2016

Printed by the National Assembly of Zambia

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REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE AUDITOR GENERAL ON THE ROAD PROJECTS UNDER THE ROAD DEVELOPMENT AGENCY FOR THE PERIOD JANUARY 2012 TO DECEMBER 2015 FOR THE FIRST SESSION OF THE TWELFTH NATIONAL ASSEMBLY, APPOINTED BY RESOLUTION OF THE HOUSE ON 10TH OCTOBER 2016

Consisting of:

Mr H Kunda, MP (Chairperson); Mr A Chiteme, MP; Mr M Mbulakulima, MP; Mr C Mweetwa, MP; Mr T J Kasonso, MP; Mr M C Munkonge, MP; Ms D Mwape, MP; Mr K Simbao, MP; Ms B M Tambatamba, MP.

The Honourable Mr Speaker
National Assembly
Parliament Buildings
LUSAKA

Sir,

Your Committee has the honour to present its Report on the Report of the Auditor General on the Accounts of the Road projects under the Road Development Agency (RDA) for the period, January 2012 to December 2015.

Functions of the Committee

2. The functions of your Committee are to examine the accounts showing the appropriation of sums granted by the National Assembly to meet the public expenditure, the Report of the Auditor General on these accounts and such other accounts, and to exercise the powers as provided for under *Article 212(5) and (6) of the Constitution of the Republic of Zambia*, Act No. 2 of 2016 and *Standing Order No. 153(3)*, Standing Orders of the National Assembly, 2016.

Meetings of the Committee

3. Your Committee held six meetings to consider the Report of the Auditor General on the Accounts of the Road projects under the Road Development Agency (RDA) for the period, January 2012 to December 2015.

Procedure adopted by the Committee

4. With technical guidance from the Auditor General, the Accountant General and the Controller of Internal Audits, your Committee considered both oral and written submissions from the Controlling Officer of the Ministry of Housing and Infrastructure Development. The Secretary to the Treasury was also requested to comment on the status of financial management on the irregularities and weaknesses cited in the Report.

This Report contains the observations and recommendations of your Committee and includes proposed remedial measures to correct identified irregularities and weaknesses. The Report is in five parts. Part I of the Report deals with the Auditor General's comments and the response from the Secretary to the Treasury; Part II captures the responses from Controlling Officers on

the individual audit queries; Part III contains your Committees local tour on selected roads while Part IV highlights your Committee's general observations and recommendations arising from the Committee consideration of the Report. Part V deals with the comments by the Secretary to the Treasury on the recommendations by the Auditor General and Conclusions.

PART I

AUDITOR GENERAL'S COMMENTS AND RESPONSE BY THE SECRETARY TO THE TREASURY

Executive Summary

5. The audit of road and related infrastructure under the Road Development Agency (RDA) for the period January 2012, to December 2015, was conducted in accordance with the provisions of *Article 250 of the Constitution of Zambia, Public Audit Act of 1980 and Public Finance Act No. 15 of 2004.*

The objectives of the audit were among others to ascertain whether procurement procedures were followed in the award of the contracts, projects were administered in accordance with contract agreements and whether the expenditure was in conformity with the Laws of Zambia.

The following were observed:

i) Failure to Pay Contractors on Time

Audit Comment

There were delays in settling of interim payment certificates resulting in incurring of interest and standing time charges. In addition, in some cases, commencement orders were issued prior to the settlement of advance payments.

Treasury Response

The Secretary to the Treasury submitted that he observed this concern on the accumulation of the outstanding arrears for Contractors in the Road Sector and immediately undertook necessary interventions by stopping procurement of new projects until all the pending contracts had been completed and liquidated to allow for fiscal room to deal with the backlog of unpaid contracts.

The Treasury had been experiencing challenges in meeting the financial obligations to various contractors for works done in the roads sector. The accumulation of arrears in the sector also had a negative impact on the working capital and investment funds required to grow the economy and create private sector jobs. In order to address this scenario, there was need to have a systematic way of contracting works in the road sub sector so as to avert the risk of over committing the Government and ensuring that there is accountability and transparency in the process of contracting road works.

It was also stated that the Treasury shall ensure that all requests for Treasury Authority to enter into new contracts for new contracts would have to be submitted to National Road Fund Agency (NFRA) for onward submission to his office. NRFA would have to ensure that

all projects forwarded to the Treasury for consideration were reviewed thoroughly taking into account inter alia:

- availability of funds in the annual work plan;
- reasonableness of the financial terms in the contracts such as payment terms and costs associated with standing time and/or delayed payments outside the agreed timeframes; and
- consistency of the contract to general conditions and terms of other on-going contracts.

Committee's Observations and Recommendations

Your Committee notes that whereas the Treasury has seemingly put in remedial measures to arrest the situation regarding the late payment of contractors resulting in the accumulation of interests and standing time charges, your Committee expresses concern that your previous Committee raised similar concerns which have not been addressed by the Treasury. It is the expectation of your Committee that the aforementioned action will be implemented failure to which your Committee will not take the recurrence of the matter lightly. Your Committee resolves to await a progress report on the matter.

ii) Late Engagement of Supervising Consultants

Audit Comment

There were delays in the engagement of supervising consultants for periods ranging from one (1) to twelve (12) months. Thus, projects were implemented without adequate supervision.

Treasury Response

The Secretary to the Treasury submitted that this was a very serious omission by RDA because the proper maintenance of an appropriate procurement and provisioning system and drawing up of a well structured annual procurement plan was the mandate of the Agency through the Management team as provided by *the Zambia Public Procurement Act of 2008*.

In this regard, the late engagement of supervising consultants was a serious breach of section 7(3) of the *Public Finance Act No.15 of 2004*. Therefore, he would engage the Controlling Officer in charge of the Head of Expenditure and the Board of RDA to censure the Management team for this omission which is costing Government a lot of resources through unwarranted high variations of contracts for both Consultants and Contractors.

Committee's Observations and Recommendations

Your Committee notes the resolve by the Secretary to the Treasury to censure management at RDA arising from this serious omission. Your Committee, however, contends that merely censuring management at RDA on this omission which has

culminated in huge and numerous variations will not help matters. It is the considered view of your Committee that strengthening the *ZPPA Act no 15 of 2008*, on the procedure to be followed before undertaking road works will help address the matter. In this vein, your Committee urges the Secretary to the Treasury to ensure that the engagement of supervising consultants before commencement of works is legislated as the Treasury conducts the review of the amendment of the *ZPPA Act no 15 of 2008*. This will guarantee the commencement of any road works to be preceded by the approval of detailed engineering designs and drawings. Your Committee awaits an update on the matter.

iii) Lack of Detailed Engineering Drawings

Audit Comment

Most projects commenced without detailed road engineering designs resulting in understatement of bills of quantities which consequently led to increases in contract sum once the drawings were in place. This further led to delayed completion of projects.

Treasury Response

The Secretary to the Treasury submitted that this was a very serious omission by RDA because the proper maintenance of an appropriate procurement and provisioning system and drawing up of a well structured annual procurement plan was the mandate of the Agency through the Management team as provided by *the Zambia Public Procurement Act of 2008*.

In this regard, the lack of detailed engineering designs and drawings is a serious breach of section 7(3) of *the Public Finance Act No.15 of 2004*. Therefore, he would engage the Controlling Officer in charge of the Head of Expenditure and the Board of RDA to censure the Management team for this omission which was costing the Government a lot of resources through unwarranted high variations of contracts for both consultants and contractors.

Committee's Observations and Recommendations

Your Committee notes the resolve by the Secretary to the Treasury to censure management at RDA arising from this serious omission. Your Committee, however, contends that merely censuring management at RDA on this omission which has culminated in huge and numerous variations will not help matters. It is the considered view of your Committee that strengthening the *ZPPA Act No. 15 of 2008* on the procedure to be followed before undertaking road works will help address the matter. In this vein, your Committee urges the Secretary to the Treasury to ensure that the approval of detailed engineering designs and drawings before commencement of works is legislated as the Treasury conducts the review of the amendment of the *ZPPA Act No. 15 of 2008*. This will guarantee the commencement of any road works to be preceded by the approval of detailed engineering designs and drawings. Your Committee will await an update on the matter.

iv) Change of Key Personnel without RDA Approval

Audit Comment

It was observed that contractors changed key personnel without approval from RDA.

Treasury Response

The Secretary to the Treasury noted with concern the Audit comment which reflected badly on the workmanship of RDA in terms of overseeing the implementation of the projects. Therefore, he would engage the Controlling Officer for this Head of Expenditure and ensure that the poor workmanship of projects was addressed.

Committee's Observations and Recommendations

Your Committee notes the response by the Secretary to the Treasury. However, your Committee expresses worry that despite your previous Committee strongly recommending for action regarding the matter, its continued recurrence point to the fact that the action taken by the Secretary to the Treasury has not achieved the desired results. In addition, despite the guidelines providing adequate penalties for contractors who change key personnel without the approval by RDA, the outlined penalties have not been invoked. Your Committee strongly recommends that in addition to censuring management at RDA on this serious omission, disciplinary action should be taken against the officers responsible for failure to invoke penalties on the matters. Your Committee resolves to await an update on the matter.

v) Single Sourcing (Direct Bidding)

Audit Comment

Although RDA obtained authority to single source from ZPPA, most projects in question did not meet the criteria for single sourcing.

Treasury Response

The Secretary to the Treasury stated that the matter makes very sad reading. The use of the law to disadvantage the Government was not acceptable in the sense that competitive bidding attracts transparency in the procurement of contracts. The Treasury had started the process of reviewing the *Public Procurement Act* and the lapses identified in this report shall be addressed.

Committee's Observations and Recommendations

Your Committee notes the action taken and urges the Secretary to the Treasury to ensure that the revision of the *Zambia Public Procurement Act of 2008* is expedited and presented in the 2018 legislative sitting of Parliament without any delay. Your Committee also directs that the revision of procurement law should be done periodically in order to have timely interventions on such matters. Further, your Committee directs the Secretary to the Treasury to censure management at ZPPA on the inappropriate application of single sourcing against provisions of *the Zambia Public Procurement Act of 2008*.

vi) Over Procurement of Projects

Audit Comment

It was observed that RDA procured works at the unconstrained budget as opposed to the approved budget by Parliament.

Treasury Response

The Treasury observed with concern the over procurements of projects for the road sector contractors and immediately undertook necessary interventions by stopping procuring of new contracts until all the pending contracts had been completed and liquidated.

Where need arose for a new contract, the Road Development Agency was directed to engage the Treasury through NRFA on the availability of Funds from necessary financing frameworks as mandated by *Roads Act No. 12 of 2002*.

In this regard, RDA had been directed to adhere to legal requirements and maintain an appropriate procurement and provisioning system as provided by the *Public Procurement Act of 2008*. Further, RDA had been directed to draw up a well-structured annual procurement plan as mandated under the *Public Finance Act*.

Committee's Observations and Recommendations

Your Committee notes the response, but contends that had the Treasury been closely monitoring RDA, the progressive remedial actions should have been taken much earlier. Your Committee, therefore, urges the Secretary to the Treasury to ensure that RDA is closely monitored to avoid the over burdening of the Treasury through over procurement of road projects. Further, your Committee directs that going forward, RDA should only sign contracts upon confirmation on the availability of funds from the Treasury through NRFA.

vii) Variations

Audit Comment

There were variations on various contracts ranging from 50 percent to 400 percent which were considered excessive.

Treasury Response

The Secretary to the Treasury submitted that the Treasury was concerned by the variations of contracts above the advisable 25 percent threshold and as the *Public Procurement Act* is being reviewed, a capping shall be included to address this lapse since the Attorney General's opinion was that the standard practice applicable for contract management was to vary a contract within the stipulated threshold of 25 percent.

Committee's Observations and Recommendations

Your Committee notes the action taken and urges the Secretary to the Treasury to ensure that the *Zambia Public Procurement Act of 2008* is amended to include a capping of twenty-five percent for any variation. Your Committee directs that the amendment should be presented in the 2018 legislative sitting of Parliament without any delay. Your Committee resolves to await an update on the matter.

viii) Poor Workmanship – non adherence to Project Specification

Audit Comment

It was observed that specifications were not adhered to resulting in poor quality works.

Treasury Response

The Secretary to the Treasury submitted that this was a very serious omission by RDA as their mandate was to effectively oversee the implementation of the projects and, therefore, the Controlling Officer for this Head of Expenditure should censure the Management team for this omission so that the Government could have value for money in the projects.

Committee's Observations and Recommendations

Your Committee notes the action taken, but contends that by and large the non-adherence to specifications by contractors is mainly attributed to the late engagement of supervising consultants by RDA. Your Committee recommends that in addition to censuring management at RDA for this omission, the Secretary to the Treasury is urged closely monitor RDA by avoiding commencing road projects before the engagement of supervising consultants. Your Committee further directs that all contractors and consultants who exhibited poor works during the period under review, should be blacklisted from future contracts forthwith. Your Committee resolves to await a progress report on the matter.

ix) Award of Contract for Detailed Engineering Road Designs to the Contractor

In certain cases, the contractors building roads were also engaged to do the detailed engineering road designs for the same roads.

Treasury Response

The Secretary to the Treasury submitted that RDA's justification for this omission was not acceptable because it compromised the works through conflict of interest as the Contractors could not supervise themselves. By doing so, RDA was abrogating the tenets of a sound system required for proper evaluating capital project in a transparent manner.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Secretary to the Treasury to ensure that this serious anomaly is stopped forthwith. This should be premised on the strengthening of guidelines on the standard procedure of awarding of contracts by RDA.

x) Single Sourcing of Subcontractors

Audit Comment

There was no evidence that the selection and award of tenders to sub-contractors on all the contracts followed a competitive and transparent process.

Treasury Response

The Secretary to the Treasury submitted that this was a very serious omission by RDA because the proper maintenance of an appropriate procurement and provisioning system and drawing up of a well structured annual procurement plan was the mandate of the Agency through the Management team.

In this regard, the single sourcing of subcontractors was a serious breach of section 7(3) of the *Public Finance Act No.15 of 2004*. Therefore, the Controlling Officer in charge of the Head of Expenditure and the Board of RDA would be engaged and censured for this omission which was costing the Government a lot of resources through unwarranted high variations of contracts for both consultants and contractors.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Secretary to the Treasury to ensure that this serious anomaly is stopped forthwith. This should be premised on the strengthening of guidelines on the standard procedure of awarding of contracts by RDA. In addition, the revision of the *Zambia Public Procurement Act of 2008* should strengthen the awarding of sub-contracts in a transparent manner. Your Committee will await a progress report on the matter.

Introduction

Audit Comment

The audit of road and related infrastructure under the Road Development Agency (RDA) for the period January 2012, to December 2015, was conducted in accordance with the provisions of Article 250 of the Constitution of Zambia, Public Audit Act of 1980 and Public Finance Act No. 15 of 2004.

Treasury Response

The Secretary to the Treasury submitted that the facts were correctly stated by the Auditor General in that the Report on the Accounts of the RDA for the period January 2012, to December 2015, were audited in accordance with the provisions of *Article 250 of the Constitution of Zambia, Public Audit Act of 1980 and Public Finance Act No. 15 of 2004*. The said Report was tabled before the National Assembly in accordance with the provisions of *Article 212 (1) of the Constitution of the Republic of Zambia*.

The Secretary to the Treasury informed the Committee that it was regrettable that some matters raised in this report remained unresolved as at 31stDecember 2015, despite the ample time provided by the audit period for the Controlling Officer to resolve them.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Secretary to the Treasury to ensure that recommendations made by your Committee are taken seriously failure to which the matter will not be taken lightly in future reports.

Audit Objectives

Audit Comment

The objectives of the audit were among others to ascertain whether procurement procedures were followed in the award of the contracts, projects were administered in accordance with contract agreements and whether the expenditure was in conformity with the Laws of Zambia.

Treasury Response

The Secretary to the Treasury submitted that the Treasury noted and appreciates the objectives of the audit of the roads and related infrastructure under the RDA for the period January 2012, to December 2015, to ascertain as to whether the procurements and administration of the projects were in conformity with *the Public Procurement Act* and Contract agreements entered into between the RDA and Contractors.

Committee's Observations and Recommendations

Your Committee notes the response by the Secretary to the Treasury, but urges him to ensure that the Office of the Auditor General is adequately funded in order for it to conduct value for money audits on RDA on an annual basis. This should include a performance audit on NRFA. Your Committee will await an update on the matter.

Background

Audit Comment

The RDA was created in 2002, following the enactment of *the Public Roads Act No. 12 of 2002*. According to the Act, the functions of RDA are to plan, manage and coordinate the road network in the country.

The Act further created the National Road Fund Agency (NRFA) which is responsible for mobilising resources for funding the road sector and administering the Road Fund.

The Government, with assistance from its cooperating partners (CPs) that comprised the World Bank (WB), European Commission (EC), Danish Development Assistance (Danida), Japanese International Cooperation Agency (JICA), Nordic Development Fund (NDF), Africa Development Bank (AfDB) and German Development Bank (KfW) developed a Road Sector Investment Programme (ROADSIP). The goal was to systematically maintain and rehabilitate a core road network and to bring it to a maintainable standard by the year 2013. ROADSIP I covered the period from 1997 to 2007 and ROADSIP II covered the period from 2008 to 2013. The total core road network targeted was 40,113 km comprising 3,088 km of trunk roads, 3,691 km of main roads, 13,707 km of district roads, 5,294 km of urban roads and 14,333 km of primary feeder roads.

In October 2012, the Government launched the LINK ZAMBIA 8000 project which was divided into three (3) phases which would result in the construction of a total of 8,000 km of roads over a five (5) year period. The first phase of the project would cover 2,290 km at an estimated total cost of about US\$1.5 billion; the second phase would cover 3,049 km of the road network worth approximately US\$2.2 billion and the third phase would involve upgrading of 2,862 km of the road network at a cost of about US\$1.76billion.

In 2013, the Government through the Road Development Agency (RDA), launched the PAVE ZAMBIA 2000 Programme. In this programme, the Government was to rehabilitate and construct 2,000 km of urban roads using concrete paving bricks technology. In this programme, it was anticipated that the cost of construction and maintenance would be lower than the conventional road construction methods of asphalt and surface dressing. The project was expected to take five (5) years at a cost K1.5 billion.

Treasury Response

The Secretary to the Treasury submitted that the detailed background provided by the Auditor General was a true reflection of how the RDA was established following the enactment of *the Public Roads Act No. 12 of 2002*. The Act further created supporting Institutions such as NRFA which was responsible for mobilising resources for funding the road sector and administering the road fund.

In addition, the detailed analysis of the various programmes the Agency had undertaken from its inception to date reflects the viability of the creation of the Agency to improve on the road infrastructure in the Nation.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Secretary to the Treasury to ensure that RDA is closely monitored and supervised in order for the institution to be discharging its mandate in line with the objectives with which it was established for.

Scope and Methodology

Audit Comment

6. The report is as a result of an audit carried out at the Road Development Agency. It covers construction projects under RDA procured between 1st January 2012 and 31st December 2015. The audit was planned and performed such that sufficient evidence, explanations and all necessary information were obtained to reach reasonable conclusions. In conducting the audit, tests of accounting records maintained at the Agency, the National Road Fund Agency and the Ministry of Works and Supply such as the accounting documents, tender documents, contracts, certificates of completed works, progress reports and others were reviewed and physical inspection of projects was conducted.

The Auditor General in line with provisions of *the Public Audit Act* procured the services of a road engineer from National Road Fund Agency (NRFA) and also included a procurement specialist from Auditor General's Office as part of the audit team.

The audit was conducted in two phases. Phase I was conducted between January and September 2015, and a management letter was issued to RDA management while an Audit Reference Sheet was issued to the Permanent Secretary for the Ministry of Works and Supply in November 2015. Phase II was conducted during the period from January to October 2016, following a request by the Permanent Secretary – Works and Supply to extend the audit to 31st December 2015. Phase II, therefore, involved verification of the management responses to the earlier management letter and updating financial and physical progress on each project to current status which was December 2016, when the audit was finalised. Phase II also involved auditing of projects procured in 2015.

Matters raised in this report, therefore, are those that remained outstanding following the verification conducted with RDA management in January 2017.

The status of the projects is as a result of the physical inspection conducted in 2015, 2016 and also incorporates progress as reported in the August to October 2016 progress reports, whichever was considered to be the latest report.

The standards for the physical verification were based on SATCC specifications, road and bridge works – September 1988 (reprinted 2001).

During the period under review, the RDA constructed mainly four (4) types of roads with road surfaces and road bases as shown in the table below.

Types Road Surface	Details
Hot Mix Asphalt	Comprises of approximately 95 percent stone, sand, or gravel bound together by bitumen.
Seals	Bitumen is placed on the road and stones are spread to provide the wearing surface (Driving Surface).
Single Surface Dressing	One layer of bitumen is placed on the road and one layer of stones is spread to provide the wearing surface (Driving Surface).
Double Surface Dressing	One layer of bitumen is placed on the road and one layer of stones is spread to provide the wearing surface (Driving Surface) and 2 nd layer of bitumen is placed on the road and 2 nd layer stones is spread to provide the wearing surface (Driving Surface).
Types of Road Base	
Crushed Stone Base	Comprises an unbound mixture of coarse and fine crushed stone.
Cement Stabilised Base	Comprises a cement bound mixture of specially selected gravel with cement as a binder material.
Neat Base	Comprises an unbound mixture of specially selected gravel without any binding material.
Bitumen Stabilised Base	Comprises a bitumen bound mixture of specially selected gravel with bitumen as a binder material.

In addition, in order to ascertain whether the roads and related works were done according to specifications, the following tests were carried out on selected roads.

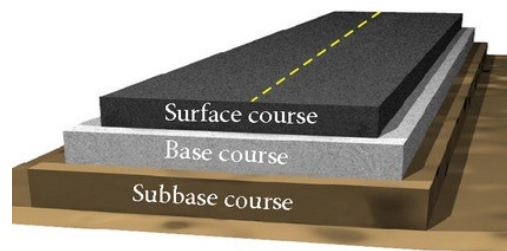
i. **Test 1 - Trial Pit Test for Road Layers, Namely Road Surfacing, Road Base and Subbase**

- **Criteria/ Purpose**

- o Trial pits are undertaken to determine the quality and the total thickness of the stabilised soil/ crushed stone.
- o The required base course should be at least 150 mm or as per specification with a maximum tolerance of 27 mm (minimum 123 mm).
- o The required surface course varies in accordance with contract specifications.
- o The sub base course should be at least 150 mm or as per specification with a maximum tolerance of 27 mm (minimum 123 mm).

- **Methodology**

Digging in the road shoulder to expose and measure the thickness of various road layers.



Typical road cross section

- **Specification**

- o **SATCC 34.03 Pavement Layers Constructed from Gravel Obtained from Existing Layers**

Where the underlying layer has not been reconstructed or reworked but only rolled, or where no work has been done on it, quantities shall be calculated with the aid of cross-sections taken of the layer before and after construction, subject to the provisions of clause 1220.

Where the material consists of recovered pavement material in part and imported material in part, the quantity of imported material obtained from cut or borrow shall be paid for under Item 34.01, calculated in accordance with the volume relation of the respective materials.

- o **34.04 In situ Reconstruction of Existing Pavement Layers**

Where the material consists of recovered pavement material in part and imported material in part, the quantity of imported material obtained from cut or borrow shall be paid for under Item 34.01, calculated in accordance with the volume relation of the respective materials.

- **Possible Causes of Failure of Road Base**

These were:

- o inadequate material dumped as base.
- o inadequate cement added.
- o poor selection of material.
- o poor workmanship.
- o reduced thickness.

- o poor supervision by the consultant/ RDA.
- **Risks**
These were:
 - o poor load transfer in the pavement which can lead to premature failure and shorten the life of the road.
 - o paying for inadequate base.

ii. Test 2 - Core Drilling on Asphalt, Stabilised Road Base and Sub-base

- **Criteria/Purpose**
 - o Coring is performed to evaluate construction control and physical properties of asphalt and stabilised soils.
 - o Coring is conducted to determine the quality and the total thickness of the stabilised soil.
 - o The required bound stabilised base should be at least 150mm.
- **Methodology**
A mobile core drilling machine is used to extract cores from the existing road layers such as asphalt and road base/subbase.
- **Specifications**
For stabilised road base 150mm thickness or 123mm minimum thickness as per SATCC clauses 3405 and 7205 or as per thickness specification of a particular contract.
- **Possible Causes**
These were:
 - o inadequate material dumped as base.
 - o poor workmanship.
 - o inadequate cement in base.
 - o poor supervision.
 - o poor materials selected.
- **Risks**
 - o Poor load transfer which can lead to premature failure of the road.
 - o Paying for inadequate base.

iii. Test 3 - Visual Inspection for Various Physical Conditions About Functionality of the Road

- **Criteria/Purpose**
To check the physical condition of the pavement (e.g. potholes, rutting, remedial works), functionality of road (e.g. walkways) and any other required physical attributes.
- **Methodology**
Visual inspection by looking at the road and identifying defects of the road and associated road infrastructure.

- **Specification**
Depends on the physical attribute being visually inspected e.g. longitudinal streaking/ loss of stone.

To check construction tolerances and finish requirements, SATCC series 4000 on Asphalt Pavement and seals.

- **4312 Defects**
Where, in the opinion of the Engineer, any unacceptable loss of stone from or bleeding of the road surface that may occur during the course of the contract or during the maintenance period can be attributed to the contractor not observing any of the requirements of the Specifications, not using the correct rates of application, or to any other omission or fault on the part of the contractor, any corrective work ordered by the engineer shall be at the contractor's cost, including the supply, pre-coating, stockpiling at selected sites and later removal if not used, of any aggregate reserved for corrective work during the period of maintenance or thereafter.

Where the reason for bleeding or loss of stone, in the opinion of the engineer, cannot be attributed to any fault or neglect on the part of the contractor, the employer shall pay at the tendered rates for the cost of any remedial measures taken on the instructions of the engineer.

- **Possible Causes of Surface Irregularity**
 - o Inadequate design and poor construction method.
 - o Poor workmanship by the contractor.
 - o Poor supervision.
- **Risks**
 - o Poor road safety.
 - o Poor load transfer which will lead premature failure of the road.

iv. **Test 4 - Communication /Electricity Service Cables**

- **Criteria/Purpose**
Check compliance with the requirements of clause SATCC 5.8 regarding proximity and height clearances for power / communication lines to the road.
- **Methodology**
Visual inspection by looking and measuring proximity and height clearance for power/ communication lines to road iNRFAsstructure.
- **Specification**
Geometric Standard SATCC 5.8
- **Possible Causes**
 - o Inadequate design.
 - o Poor supervision.
 - o Poor workmanship.

- **Risk**
Poor road safety.

v. **Test 5 - Road Signs Retro Reflectivity**

- **Criteria/Purpose**
Check retro reflectivity of road signs if it complies with SABS 1519 Retro reflectivity, or night time visibility of signs is essential for efficient traffic flow, driving comfort, and road safety in general. Road signs are visible at night because the light from headlights is reflected back into drivers' eyes by retro reflectors embedded into the signs.
- **Methodology**
Using the hand held Road Vista 922 to simulate night reflectivity on road signs during the day.
- **Specifications**
SABS 1519 / SANS 1519
- **Possible causes**
 - o Deliberate action by the contractor to maximise profit by using cheap material.
 - o Poor supervision.
- **Risks**
 - o Poor road safety.
 - o Paying of substandard signs.

vi. **Test 6 – 3 m Straight Edge – Rutting/ Surface Irregularity**

- **Criteria/Purpose**
To check the construction tolerances and finishing requirements as per requirements of SATCC 4212 construction tolerances.
- **Methodology**
Placing a 3 metre steel Straight Edge across/longitudinal on the road to measure surface irregularity under the road.
- **Specifications**
SATCC 4212
- **Rutting**
 - o To check construction tolerances and finish requirements as per requirements of SATCC 4212 construction tolerances.
 - o To observe visual road aesthetics and functional requirements.
 - o The maximum rutting (depression) on a new road should not be more than 10mm.
- **SATCC 1218 Remedial Work**

When any part of the Works or any equipment or material is found, upon examination by the Engineer, not to conform to the requirements or at any stage before final acceptance is damaged so that it no longer conforms to the requirements of the specifications, the engineer may order its complete removal and replacement, at the contractor's expense, with satisfactory work, equipment or material, or he may permit the contractor to apply remedial measures in order to make good any such defects or damage. The actual remedial measures taken shall at all times be entirely at the contractor's own initiative, risk and cost, but subject to the Engineer's approval regarding the details thereof.

In particular, remedial measures shall ensure full compliance with the requirements of the specifications of the final product, shall not endanger or damage any other part of the works, and shall be carefully controlled and submitted to the engineer for examination when completed or at any intermediate stage as may be required.

For the guidance of the contractor, an indication is given below of what would normally be required in the more common cases of defects or damage, but the engineer will in no way be bound to accept or approve the remedial works.

- **Possible Causes of Surface Irregularity**

- o Poor design.
- o Poor compaction.

- **Risks**

- o Safety concerns for vehicles due to uneven road surface which can cause road accidents.
- o Payment for poor quality.
- o Premature failure of the road due to water ingress (sipping) resulting from poorly constructed and bench to shoulder which leads to potholes.

vii. Test 7 - Schmidt Hammer Test for Concrete

- **Criteria/Purpose**

- o Test is taken to check the in situ strength of concrete.
- o Required strength of concrete for walkway is 25 Mpa.

- **Methodology**

Using a hand held Rebound Schmidt Hammer to measure the strength on existing concrete.

- **Specifications**

Standard ASTM C805 / C805M Standard Test Method for Rebound Number of Hardened Concrete.

- **Possible Causes**

- o Poor workmanship.
- o Poor supervision.

- **Risk**
Paying for substandard works

Treasury Response

The Secretary to the Treasury submitted that facts on the Audit Scope were as stated by the Auditor General. Further, the Methodology used by the Auditor General is appreciated as it was planned and performed in such a way that sufficient evidence, explanation and all necessary information were obtained to reach reasonable conclusions. A comprehensive review and tests under taken during the audit of all accounting records maintained at the RDA, NRFA and the Ministry of Works and Supply such as the accounting documents, tender documents contracts, certificate of completion of works and progress reports were appreciated.

In that regard, the Secretary to the Treasury expressed thanks to the Office of the Auditor General for conducting this audit to review the performance of the road sector development projects and availing vital information to assist Parliament in its oversight responsibility over the management of public resources by the Executive.

Committee's Observations and Recommendations

Your Committee notes the response by the Secretary to the Treasury.

Administration

Audit Comment

7. The Public Roads Act No. 12 of 2002 provides for among other things the composition of the Agency consisting of part time members appointed by the Minister responsible for Works and Supply as follows:

- (i) a representative of the National Council for Construction;
- (ii) a representative of the Zambia National Farmers Union;
- (iii) a representative of the National Science and Technology Council;
- (iv) a representative of the Engineering Institution of Zambia;
- (v) a representative of the Chartered Institute of Transport;
- (vi) a representative of :
 - the ministry responsible for works and supply;
 - the ministry responsible for communication and transport;
 - the ministry responsible for local government and housing;
 - the ministry responsible for finance;
 - the ministry responsible for tourism;
 - the ministry responsible for agriculture; and
 - the Attorney General.
- (vii) the Director of the Road Transport and Safety Agency;
- (viii) the Director of the National Road Fund Agency; and
- (ix) one other person.

The Director of the Road Transport and Safety Agency and the Director of the National Road Fund Agency are ex-officio members of the Agency and have no vote. The Chairperson is to be appointed by the Minister responsible for Works and Supply, while the Vice Chairperson is elected by the members of the Agency from among their number.

The Agency reports to the Committee of Ministers on Road Maintenance Initiative at such times and such places as the Ministry may determine.

The day to day administration of the RDA is the responsibility of the Chief Executive Officer who is appointed by the Agency. The Chief Executive Officer is assisted by the Directors responsible for Planning and Design, Corporate Services, Construction and Maintenance who are appointed on three (3) year renewable contracts while the rest of staff is appointed on permanent and pensionable basis.

Treasury Response

The Secretary to the Treasury submitted that the matter on the administration of the Road Development Agency (RDA) as stipulated in the Act was noted.

Committee's Observations and Recommendations

Your Committee notes the response by the Secretary to the Treasury.

Source of Funds

Audit Comment

According to the Act, the funds of the Agency shall consist of such moneys as may:

- (i) be appropriated to the Agency by Parliament for the purpose of the Agency,
- (ii) be allocated to the Agency from the Road Fund,
- (iii) be paid to the Agency by way of grants or donations, and
- (iv) vest in or accrue to the Agency.

The Agency may:

- (i) accept moneys by way of grants or donations from any source in Zambia and subject to the approval of the Minister, from any source outside Zambia,
- (ii) subject to the approval by the Minister, raise by way of loans or otherwise, such moneys as it may require for the discharge of its functions, and
- (iii) in accordance with the regulations under the Act, charge fees for the services provided by the Agency.

Treasury Response

The Secretary to the Treasury submitted that the sources of funding for the RDA were as explained by the Auditor General that includes funds appropriated by Parliament for the purpose of the RDA'S operations and road projects.

Committee's Observations and Recommendations

Your Committee notes the response by the Secretary to the Treasury.

Funding

Audit Comment

In the Estimates of Revenue and Expenditure for the years ended 31st December 2012, 2013, 2014 and 2015, authorised provisions totalling K19,129,260,577 were made to cater for the roads under the RDA against which amounts totalling K17,516,847,343 were received representing 92 percent funding as shown in the table below:

Year	Budget K	Released K	Over/(Under) K
2012	4,272,198,387	1,764,853,766	(2,507,344,621)
2013	3,288,928,382	4,192,161,302	903,232,920
2014	4,943,195,034	5,241,393,353	298,198,319
2015	6,624,938,774	6,318,438,922	(306,499,852)
Total	19,129,260,577	17,516,847,343	(1,612,413,234)

Treasury Response

The Secretary to the Treasury submitted that the period under review was very challenging from the fiscal point of view, particularly the 2015 fiscal year. The domestic and external shocks arising from subsidies in the fuel and electricity subsectors and the slowdown in the demand for Copper affected the Treasury's ability to fully meet the funding requirements of all Government institutions. However, measures were being put place through the Economic Growth and Stabilization programme to among others enhance domestic resource mobilization thereby creating fiscal space for development projects. Further, measures had already been put in place to ensure cost reflectivity in the procurement of fuel.

Committee's Observations and Recommendations

Your Committee notes the response by the Secretary to the Treasury, but urges him to ensure that RDA is censured to only sign new road projects upon confirmation on the availability of funds by the Treasury to avoid the recurrence of incurring huge costs in form of standing time and interest charges.

PART I

8. Weaknesses in Procurement and Management of Road Contracts

a) Over Procurement of Projects

The Controlling Officer noted the observation and informed your Committee that Treasury Authority was obtained for any procurement of projects outside the approved Annual Work Plan. He explained that RDA followed the approved budget which was usually constrained. The unconstrained budget was only prepared as part of the planning process to show the actual funding needs on the road network for comparison purposes.

The Controlling Officer further informed your Committee that in 2015, for example, the funding released was also utilised to settle outstanding payments from previous years and this affected the amount available for the year 2015.

Going forward, in pursuing to match the infrastructure demand with the available resources, the Government had embarked on the following measures:

- i) implementation of tolling on the road network;
- ii) implementation of public private partnerships on economically viable projects; and
- iii) implementation of on-going and new projects through contractor financing.

Committee's Observations and Recommendations

Your Committee expresses grave concern that the RDA has continued to award other contracts when there are a number of them still outstanding. Your Committee expresses concern that the over procurement of these projects will, therefore, result in the loss of public funds through interest accumulated as a result of delayed payments as well as losses resulting from standing-time charges. It is in this regard, that your Committee strongly urges the Controlling Officer to ensure that:

- new projects are not embarked on until the existing projects are completed;
- RDA populates the total liability that the Government is owing in the Road Projects and the Secretary to the Treasury through NRFA must release the requisite funding in order to facilitate the completion of the outstanding projects to avoid locking public resources in incomplete projects;
- future contracts must be referred to NRFA for confirmation of availability of funds before their awarding and a well structured annual implementation plan highlighting the roads that will be constructed within precise timeframes must be generated in order to guarantee more realistic completion periods; and
- the payments of future projects must be timely made in order to avoid interest on payments and standing time charges.

Your Committee urges the Office of the Auditor General to keep the matter in view in future audits.

b) Late Engagement of Supervising Consultants

The Controlling Officer acknowledged that the ideal situation would be to have the required Supervision Consultant engaged at least before commencement of works by a Contractor. In the absence of the supervision consultant, respective Regional Managers supervised the works until such time that Supervision Consultant were engaged.

He informed your Committee that there was urgent need from the Government to commence works for a number of projects such as those under Phase I of the Link Zambia 8000 Programme. This implied that, at best, the process for the engagement of the Contractors to undertake works and the engagement of Consultancy firms to undertake supervision had to commence at the same time. However, it must be noted that the process for the engagement of a Consultant was longer since it was a two stage procurement process which involved a separate technical and financial evaluation process while the process for the engagement of a Contractor was a one stage process and was shorter since the technical and financial evaluation was carried out simultaneously. This, therefore, implied that the works contractors were engaged earlier than the supervision consultants. In some instances where there were some bid challenges, the engagement of supervision consultants even took much longer.

Committee's Observations and Recommendations

Your Committee finds it unacceptable for thirty two contractors with a contract sum of K11, 675,882,234 to have commenced work prior to the engagement of supervising consultants. Your Committee further expresses concern that supervising consultants in some cases were engaged as late as twenty two months after the commencement of works. It is the considered view of your Committee that this omission has had a negative impact on the quality of works in the projects as contractors in most cases, did not adhere to the specifications in the contracts with impunity. It is in this regard, therefore, that your Committee strongly urges the Controlling Officer to ensure that the management at RDA is sternly cautioned for this failure. Your Committee further urges the Controlling Officer to ensure that consultants are engaged at all times before the tendering of works in order to ensure that the quality of works are commensurate with the funds paid to contractors by the Government. Your Committee requests the Office of the Auditor General to keep the matter in view in future audits.

c) Non Availability of Detailed Engineering Road Designs

The Controlling Officer submitted that there was urgent need by Government to commence works for a number of projects such as those under Phase I of the Link Zambia 8000 Programme. RDA commenced the process for the engagement of consultants to carry out detailed designs but had to employ the "Design and Build" approach which was the more appropriate engineering method in such circumstances as it was shorter and involved carrying out the design and works in one stage other than the "Traditional Approach" which would have required significantly much more time as it involved two stages first carrying out the complete design and then carrying out the works.

He further submitted that detailed designs were not in place by the time of tendering, but the tendering was based on preliminary quantities. For some of the projects where a

design consultant was available, the designs were made available in packages of about 10 to 20 km so that the Contractor commenced works. For the projects where the design consultant was not available, the contractor was allowed to carry out the designs in packages of about 10 to 20 km. However, whilst the Design and Build approach method shortened the implementation cycle of the project by eliminating the time a consultant should take to undertake detailed design (12 to 18 months), and approximately 6 months for design review prior to tendering for works, it exposed the RDA to high risks of cost escalations due to the fact that the real scope, cost and timeframe for the project was unknown.

The Controlling Officer explained that the RDA Management was endeavouring to ensure that designs were provided in good time before commencement of works. This would partially be achieved by enhancing long term infrastructure planning.

Committee's Observations and Recommendations

Your Committee is alarmed that twenty nine projects with initial contract sums of K8,001,422,391 commenced without detailed designs, therefore, resulting in serious inefficiencies, omissions and errors. Your Committee observes with concern that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to keep the matter in view in future audits.

d) Delayed Commencement of Works

The Controlling Officer noted the observation and submitted that the RDA acknowledged that there was an apparent conflict between the need to commence works after fourteen days of signing as reflected in Clause GCC 1.1(v) and the need to obtain relevant securities before commencement. To resolve this anomaly, RDA had revised the contract documents to ensure that the conflict was resolved so that the commencement of works was tied to other conditionalities such as the issuance of the Performance Security by the Contractor and not to fourteen days after the signing of the Contract.

Committee's Observations and Recommendations

Your Committee observes that the road sector is an important sector that does not only attract a lot of public funds from the national budget, but is key to economic development. Your Committee, therefore, finds it unacceptable for the Controlling Officer to undertake the reported interventions only after the audit. Your Committee observes with concern that the delay in the commencement of works will result in an extension of the completion period for the twelve projects, consequently depriving the beneficiaries of the full benefits of the roads in a timely manner. Further, the Government will incur extra costs due to price adjustments among other things. It is, therefore, in this regard that your Committee sternly cautions the Controlling Officer to:

- be proactive and ensure that matters of public interest are expeditiously dealt with;
- ensure that works on the twelve projects are commenced without further delay and further that the projects are closely supervised by RDA in order for the works to be executed accordingly;
- ensure that the contractual time frames are strictly adhered to in order to avoid losses on the Government; and
- secure the required funds to complete the projects through the National Road Fund Agency (NRFA).

A progress report on this matter is awaited by your Committee.

e) Failure to Pay Contractors on Time

The Controlling Officer submitted that the RDA had been certifying the works done by Contractors and services provided by Consultants as mandated by *the Public Roads Act No. 12 of 2002* and had been submitting Payment Certificates to NRFA for Payment. However, the RDA had no control on the timing of the payments to Contractors and Consultants.

The Controlling Officer further submitted that the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance for more funds to be allocated to the road sector and for payments to be made timely. Further, in pursuing to make more resources available to the road sector, the Government had embarked on the following measures:

- i) implementation of tolling on the road network;
- ii) implementation of public private partnerships on economically viable projects; and
- iii) implementation of on-going and new projects through contractor financing.

Committee's Observations and Recommendations

Your Committee expresses concern that such a significant amount was paid as interest due to delayed payments. Your Committee observes with concern that the payment of huge sums as interest on late payment of claims will continue as long as the coordination and cooperation between RDA and NRFA remain poor. Your Committee in this regard, implores the Controlling Officer to ensure that road contracts at RDA are only signed after confirmation of the availability of funds by the Treasury through NRFA, in order to avert such lapses. Your Committee further urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Furthermore, the Secretary to the Treasury is strongly being urged to intervene in this matter without further delay in order to avoid the further loss of huge sums of money due to the delay in payments on certified claims. Your Committee resolves to await a progress report on the matter.

f) Single Sourcing of Subcontractors

The Controlling Officer submitted that the RDA introduced the first guidelines and modalities for subcontracting in 2012. These guidelines allowed for two methods of subcontracting. These were, domestic sub-contracting and/or nominated sub-contracting (The RDA has been utilising the Nominated subcontracting process for the selection of subcontractors). Domestic subcontracting entailed selection of subcontractors by the main contractors upon approval by RDA while in nominated subcontracting, RDA, would propose a list of sub-contractors from which the main contractor would get quotations and sign an agreement with, which would form part of the contract.

It was not the intention of the subcontracting policy to subject subcontractors to competition amongst themselves but was initiated for capacity building. However, in order to enhance transparency in the selection process of nominated subcontractors, RDA management in consultation with the various stakeholders, had revised the guidelines and procedures for subcontracting. It was envisaged that the implementation of the revised guidelines and procedures would assist to build the desired capacity among Zambian owned Contractors.

Committee's Observations and Recommendations

Your Committee observes with concern that *the Citizens Economic Empowerment Act No. 9 of 2006*, was not adhered to in the selection process. Your Committee further observes that the RDA guidelines did not take into consideration the existing pieces of legislation where the subcontracting modalities and guidelines are embedded. Furthermore, your Committee does not accept the nominated subcontracting process for the selection of subcontractors by RDA. It is the considered view of your Committee that this process may erode the spirit of equality in the selection process of contractors. Your Committee further observes that with such a selection criteria in place, fraudulent activities will not be exempted. Your Committee, therefore, sternly cautions the Controlling Officer for being reactive rather than being proactive on the matter. It is disheartening for your Committee that the purported intervention was only made after the audit. Your Committee requests the Office of the Auditor General to keep the matter in view in future audits.

g) Variations

The Controlling Officer responded that the guidance from the Attorney General was only for the rehabilitation of 40km of selected Livingstone City Roads Project. Subsequently, the Attorney General approved variations beyond 25 percent for other projects submitted by the Agency for clearance.

The Conditions of Contract that were used by RDA provided for variations. This was in line with the Public Procurement Regulations No. 150(1), which states that "a contract may, where appropriate, in order to facilitate adaptations to unanticipated events or changes in requirements, permit:

- (a) the contract manager, supervising engineer or other designated official to order variations to the statement of requirements for goods, works or services, the price or the completion date of the contract; or

- (b) defined compensation events to justify variations in the price or completion date of the contract.

The Controlling Officer further responded that RDA mainly utilised measured works contracts for the engagement of Contractors to carry out works. These contracts by their nature and as defined by Public Procurement Regulation No 132 (1) (b) were those contracts for works, which were not well defined, likely to change in quantity or specification or where difficult or unforeseen site conditions were likely to occur.

Furthermore, there was no capping or limit on the amount of variations but that a contract price could be changed by way of an amendment to the contract with the prior authorisation of the approvals authority before the issuance of any contract amendment in line with Public Procurement Regulation No 149. All the variations that were effected by the RDA were justified and went through various stages of adjudication and the necessary approvals including that of the Office of the Attorney General.

Committee's Observations and Recommendations

Your Committee expresses concern with the justification by the Controlling Officer that there is no capping or limit on the amount of variations. Your Committee observes that this state of affairs is subject to abuse and has been regrettably misused by RDA in most instances. For instance, your Committee finds the variation of 415 percent on the Periodic Maintenance of 14 km of Road M016/M004 from Kalulushi to Sabina Road and 9 km of the Sabina to Mufulira Road on the Copperbelt Province unacceptable and contends that this may be a case of collusion between RDA and the contractor. Your Committee therefore, urges the Secretary to the Treasury, to ensure that the 25 percent capping threshold on variations is introduced in the *ZPPA Act No. 15 of 2008*, in order to avoid the continued abuse of variations by RDA. Your Committee further urges the Controlling Officer to ensure that the RDA Board scales-up its advisory role of providing the required checks and balances on the RDA management in order to bring to a stop this inexcusable abuse of public funds. Your Committee resolves to await a progress report on the matter.

h) Change of Key Personnel without RDA Approval

The Controlling Officer submitted that RDA would ensure that contract documents were revised to include punitive measures for erring Contractors.

Committee's Observations and Recommendations

Your Committee expresses concern that the change of key personnel for the nine projects was only identified during the audit, therefore, raising doubt on the effectiveness of the monitoring systems at RDA. Your Committee observes that this status quo has contributed to the poor quality of works done in most of these projects as the replaced personnel were not submitted for approval by RDA as espoused in the contracts. Your Committee, therefore, urges the Controlling Officer to ensure that the replaced key personnel in the nine projects are submitted to RDA for approval. Your Committee further urges the Controlling Officer to ensure that the contract documents are revised to include punitive measures for the breach of this requirement. Your Committee will await a progress report on the matter.

i) Poor Workmanship – non adherence to Project Specification

i) Pavement Thickness

The Controlling Officer responded that from the tests carried out, the base thicknesses were generally within the specifications and that the majority of the results obtained were within the tolerance for thicknesses of pavements which should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub bases in accordance with clause 3405 (b) of the SATCC Specifications.

ii) Peel off of Surfacing

The RDA acknowledged the observations made by the auditors on some sections of the Chama to Matumbo Road and would ensure that the defects were repaired prior to handover of the project.

Committee's Observations and Recommendations

Your Committee observes that RDA has to improve on project monitoring in order to avert poor workmanship and the possible loss of public funds associated with it. Your Committee, in this regard, strongly urges the Controlling Officer to take concrete steps to address the project monitoring challenges that RDA is evidently facing. Your Committee further urges the Controlling Officer to institute disciplinary action against the officers who did not monitor the quality of work during construction. The Controlling Officer is further urged to ensure that the identified defects are corrected without further delay. A progress report will be awaited by your Committee.

iii) Reflectivity of Road Signs

The industrial practice in accepting retro reflectivity of road signs in Zambia has mainly been based on engineering judgment. The use of the 922 field retro reflectometer by the Auditors is, therefore, new practice in Zambia, but the RDA will procure the appropriate equipment to test retro reflectivity of Road Signs.

However, according to SABS 1519, which is specified by SATCC, the reflectivity differed depending on the colour of the material used. SABS 1519 and the contract document specified that the measurement should be taken from an observation angle of 0.3 degrees and an entrance angle of 5 degrees. However, the equipment used for this test only allowed for an observation angles of 0.2 and entrance angle of 0.5 degrees instead of the 0.3 degrees specified in SABS 1519 and the contract.

Committee's Observations and Recommendations

Your Committee expresses concern with the varying positions regarding the matter which ordinarily should have been resolved during the audit process. Your Committee, therefore, urges the Controlling Officer to ensure that the Road Signs

Retro Reflectivity test is re-done by both RDA and the Auditor General's Office in order to have an agreed position on the matter. Your Committee will, therefore, await a progress report on this matter.

iv) *Crumbling of Cores*

The Controlling Officer responded that from practice, it was not possible to determine the cement content based only on the coring results. Sometimes the properties of materials used in the pavement had a bearing on the crumbling of cores. Generally, coarse materials despite being compacted and stabilised to specification would still not be able to produce a core using the coring machine as the case was with crushed stone base and may crumble. Tests for cement content, grading of materials and compaction were not carried out. Detailed responses pertaining to the crumbling of cores were provided project by project.

Committee's Observations and Recommendations

Your Committee expresses concern with the poor quality of works done despite the huge amounts of public funds spent on the projects. It is evident that the life span of the roads was highly compromised, resulting in value for money not being achieved. Your Committee further finds the reluctance by RDA to accept the findings by the auditors owing to the methodology used to assess the adherence to specification on the thickness unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officers to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee will await a progress report on the matter.

v) *Surface Irregularities*

There may be some rutting in some sections within the tolerable limit of 10mm over time particularly in the wheel tracks. This may happen on roads where axle loading was not controlled owing to lack of weighbridge facilities. However, RDA would ensure that the defects that arose were repaired prior to the handover of the project and those that resulted from normal deterioration were repaired during maintenance. The detailed responses pertaining to surface irregularities were provided project by project.

Committee's Observations and Recommendations

Your Committee finds it unacceptable for the Controlling Officer to address this irregularity after the audit findings. This shows the lack of seriousness by the Controlling Officer in ensuring that the quality of work is commensurate with the funds paid to the contractors. Further, by this revelation, it is abundantly clear that the project managers are not doing their supervision as expected, hence, the laxity by the contractors to adhere to the project specifications. Your Committee, therefore, urges the Controlling Officer to ensure that disciplinary action is

instituted against the officers who did not monitor the quality of work during construction. Your Committee further directs the Controlling Officer to ensure that the highlighted defects are rectified without further delay. Your Committee will await a progress report on the matter.

vi) *Incomplete and Abandoned works - Lusaka Drainages*

The Programme to undertake works to construct drainage structures on selected roads in Lusaka was a capacity building programme that was targeted at small scale women contractors generally with low capacity in terms of technical and financial resources.

The RDA will in future when undertaking capacity building programmes such as this one, ensure adequate on-site training and supervision to avoid the short comings that befell this programme. This could be done in collaboration with the National Council for Construction.

Committee's Observations and Recommendations

Your Committee expresses concern with the laxity exhibited by the Controlling Officer and RDA in providing close supervision to the contractors. It is disheartening that despite public funds being paid towards the construction of drainages, there was no value for money as the works were incomplete and in some instances abandoned. Your Committee therefore, sternly cautions the Controlling Officer and RDA for the failure. Your Committee further directs that disciplinary action should be instituted against the officers who did not monitor the quality of work during construction. Your Committee, further urges the Controlling Officer to seriously review the selection process of contractors by ensuring that the capacity of the contractors is not questionable in order to avoid the loss of public funds due to poor workmanship, abandoned works and failure to complete works within the contract period. Your Committee requests the Office of the Auditor General to keep the matter in view in future audits.

j) **Award of Contract for Detailed Engineering Road Designs to the Contractor**

The Controlling Officer stated that engaging contractors to undertake road designs was an acceptable engineering norm especially on design and build contracts which were suitable for urgent projects with short implementation periods as was the case for Phase 1 of the Link Zambia 8000 Programme.

Committee's Observations and Recommendations

Your Committee finds the justification given by the Controlling Officer unacceptable and contends that this is a serious omission that borders on conflict of interest as contractors contracted to construct roads are also allowed to perform the role of supervising consultant in a project. Your Committee in this regard sternly cautions the Controlling Officer to desist from this irregular practice forthwith. Your Committee

resolves to close the matter, but requests the Office of the Auditor General to keep the matter in view in future audits.

LUSAKA PROVINCE

9. Construction of a Fixed Electronic Weighbridge Station in Chongwe

a) Questionable Award of Contract

The Controlling Officer responded that the re-evaluation was undertaken for reasons that bidders were disqualified on the basis of information that could be clarified as per provision of Regulation 68 (1), which allowed for clarification. Based on the re-evaluation, Messrs Nelkan was deemed to be the best evaluated Bidder.

At the time the initial evaluation was concluded Jizan Construction Company had been sub-contracted to undertake more than 80 percent of similar works at Mumbwa Weighbridge by Crocodile Construction Limited (who was the main contractor). Jizan had failed to perform and that led to the contract between Crocodile Construction Limited and RDA to be terminated. Poor performance by Jizan at Mumbwa Weighbridge made the Agency to recommend a re-evaluation which resulted into awarding the contract to Nelkan Industrial Construction Limited.

Committee's Observations and Recommendations

Your Committee finds it unacceptable for RDA to award the contract despite the contractor failing at the preliminary stage of the procurement process. Your Committee finds this to be a gross violation of procurement procedures which should immediately be reported to investigative wings to establish whether there was abuse of office in the matter. Your Committee will await a progress report on the matter.

b) Termination of Contract

The Controlling Officer responded that RDA terminated the contract due to poor performance as this constituted a Fundamental Breach of the Contract.

Committee's Observations and Recommendations

Your Committee observes that this unfortunate lapse arose due to the failure by RDA to follow the laid down procedures that would have enabled the selection of a contractor with the technical capacity to undertake the works. Your Committee observes that this does not reflect well on the management of RDA and strongly recommends that the matter be reported to investigative wings to establish whether there was abuse of office in the matter.

c) Failure to Access World Bank Funding

The Controlling Officer explained that the RDA faced challenges implementing the contract mainly due to the Contractors poor performance and this delayed the works. As a result of this the RDA terminated the contract. In order to promptly engage another contractor, the Road Development Agency Procurement Committee (RDAPC) approved

the single sourcing of a local contractor subject to obtaining a “No- Objection” from the Zambia Public Procurement Authority (ZPPA). This was done in order to get a contractor on time prior to the expiring of the Loan Agreement with the World Bank. However, ZPPA rejected to grant a “No-Objection” and instead instructed that an open tender should be conducted. An open tender process commenced and evaluation was conducted but unfortunately, by the time the recommendation of award was being considered, the Loan Agreement with the World Bank expired.

Committee’s Observations and Recommendations

Your Committee is dismayed by the laxity exhibited by RDA in providing close supervision on the contractor in order to derive the full benefits of the World Bank funding for the project especially given the funding challenges that the Agency is currently grappling with. It is disheartening for your Committee to learn that RDA lost funding on this project on account of the contractor’s failure to complete the works within the stipulated timeframe due to poor performance. Your Committee observes that this lapse is due to poor supervision by management and negligence on the part of the officers responsible for monitoring the quality of work during construction. Your Committee in this regard strongly urges the Controlling Officer to sternly caution management for the failure. Your Committee further urges the Controlling Officer to ensure that RDA seriously reviews the selection process of contractors by ensuring that the capacity of selected contractors is not questionable in order to avoid such lapses. The Controlling Officer is also directed to ensure that this contractor is blacklisted from future considerations of Government contracts arising from this conduct. Your Committee directs that the works must be re-tendered, closely supervised and expeditiously completed and will await a progress report on the matter.

d) Unrecovered Advance Payment

The Controlling Officer responded that the Agency in liaison with the Consultants, established that the Advance Payment would be fully recovered in the Final Account after a joint assessment of the works was done prior to termination. However, the processing of the Final Account on the project was on hold due to an on-going arbitration process.

Committee’s Observations and Recommendations

Your Committee expresses concern that the advance payment of K3, 267,424 has not been recovered in full. Your Committee observes with concern that there may be connivance by the project manager and the contractor going by the reluctance to recover the amounts in question. Your Committee, therefore, finds this unacceptable as the funds would have been channeled to other projects of a similar nature. Your Committee in this regard, directs the Controlling Officer to recover the outstanding amount of K1, 143,500 without further delay and that failure to do so should result in appropriate penalties and consequently, a report on the matter to law enforcement agencies. Your Committee will await a progress report on this serious irregularity.

10. Periodic Maintenance of 51 km of D162 (Linda – Kafue Estate Road) Including U8 (Chanyanya Road) in Lusaka Province

a) Delayed Commencement of Works due to Failure to Pay Advance Payment

The Controlling Officer responded that the RDA certified the works/services done as mandated by the *Public Roads Act No 12 of 2002* and submitted Payment Certificates to NRFA for Payment. The RDA had no control on the timing of the payment to contractor. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee expresses worry with the delay in paying the contractor an advance payment despite the Contractor meeting the stipulated requirements. This conduct by RDA of signing contracts without the confirmation on the availability of funds by the Treasury will result in the accumulation of interest and penalty charges and the delay to complete works as scheduled. Your Committee urges the Controlling Officer to ensure that RDA immediately develops a payment plan in order to enable the contractor fully mobilise and commence works. Your Committee further directs that the project must be closely supervised in order to guarantee value for money and the works must be completed within the contract period. A progress report on the matter will be awaited by your Committee.

b) Delayed Settlement of IPCs

The Controlling Officer responded that the RDA certified the works/services done as mandated by the *Public Roads Act No. 12 of 2002* and submitted Payment Certificates to NRFA for Payment. The RDA had no control on the timing of the payment to contractor. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury through NRFA to give this matter the serious attention it deserves as public funds can be lost in the event of litigation by the contractor. Your Committee further urges the Controlling Officer to, in future, only undertake projects when funds have been secured to avert such irregularities. Your Committee will await a progress report on the matter.

11. Construction of Drainage Structures on Selected Roads in Lusaka Urban

a. Irregular Approval of Variation of Works

The Controlling Officer in his response explained that the variations were done with the approval of the RDA Procurement Committee to carryout additional works in view of the limited initial scope of works that was in the Bills of Quantities. Owing to the urgency of the additional works that needed to be undertaken, Contractors were instructed to implement works in the revised Bills of Quantities pending authority from the Office of the Attorney General. However, the Office of the Attorney General could not issue the authority to undertake additional works on the basis that the contracts had expired.

Committee's Observations and Recommendations

Your Committee reiterates the auditor's observation that the payment of K3, 685,522 in respect of eleven (11) contracts was irregular because the variations were done without the approval from the Attorney General. Your Committee, contends that this was a serious omission on the part of officers at RDA and strongly urges the Controlling Officer to institute disciplinary action against the officers that authorised the payment. Your Committee will wait a progress report on the matter.

b. Irregular Payment of Uncertified Works

The Controlling Officer responded that works were certified through an Interim Payment Certificates. During the review of the works done in Final Account, RDA discovered that the actual work measured was less than the work certified. The RDA had engaged the Contractor with the view to recover amounts owed. The Agency would take legal action in pursuance of recovering the amounts owed should the aforesaid process fail to yield the desired results.

Committee's Observations and Recommendations

Your Committee expresses concern that the contractors were paid for works not certified despite having project managers on site. Your Committee observes that this is a very serious omission that if left unresolved, can be used as a conduit for fraudulent activities as project managers can easily connive with the contractors. Your Committee therefore, strongly urges the Controlling Officer to ensure that the irregularly paid amounts are recovered without further delay. Your Committee further directs that the certifying officers must be blacklisted from future consideration of Government projects following this unacceptable conduct. Your Committee will await a progress report on the matter.

c. Failure to Recover Advance in Full

The Controlling Officer responded that the contractor had challenges in the execution of the works such that by the time the contract was expiring the amount of work certified could not offset the advance payment. The RDA had engaged the Contractor with the view to recover amounts owed. The Agency would take legal action in pursuance of recovering the amounts owed should the aforesaid process fail to yield the desired results.

Committee's Observations and Recommendations

Your Committee expresses concern that the advance payment of K80, 800 has not been recovered. Your Committee observes with concern that there may be connivance by the project manager and the contractor going by the reluctance to recover the amounts in question. Your Committee, therefore, finds this unacceptable as the funds would have been channeled to other projects of a similar nature. Your Committee in this regard, directs the Controlling Officer to ensure that recoveries on the amounts in question are

made without further delay and that failure to do so should result in appropriate penalties and consequently, a report on the matter to law enforcement agencies. Your Committee will await a progress report on this serious irregularity.

d. Award of Contract to Unregistered Contractor

The Controlling Officer explained that RDA awarded the contract on the basis of the 2013 NCC certificate presented during the bidding process. Further, a scrutiny of the NCC 2013 registration revealed that they were registered.

Committee's Observations and Recommendations

Your Committee expresses concern by the failure by the Controlling Officer to clarify the matter with the auditors during the audit process, therefore, bringing to question the authenticity of the availed documentation. Your Committee urges the Controlling Officer to ensure that disciplinary action is taken against the erring officers who failed to produce the necessary documentation during the audit process. Your Committee further directs that the available documentation must be submitted to the Office of the Auditor General for verification after which the matter should be closed.

e. Physical Inspection – Poor Workmanship

- **did not construct the drainage base (Lot 8 B8 and Lot 8 B11); and**
- **poorly constructed slabs (Lot 8A5).**

The Controlling Officer responded that the quantities for the drainage works were insufficient as such, the additional quantities were requested for in Variation Order No. 1 which was not cleared by the Attorney General on account that the contract had expired.

The Programme to undertake works to construct drainage structures on selected roads in Lusaka was a capacity building programme that was targeted at small scale women contractors generally with low capacity in terms of technical and financial resources. The RDA would in future when undertaking capacity building programmes such as this one, ensure adequate on-site training and supervision to avoid the short comings that had befallen this programme. This could be done in collaboration with the National Council for Construction.

Committee's Observation's and Recommendation's

Your Committee observes that RDA has to improve on project monitoring in order to avert poor workmanship and the possible loss of public funds associated with it. Your Committee, in this regard, strongly urges the Controlling Officer to take concrete steps to address the project monitoring challenges that RDA is evidently facing. Your Committee further urges him to take disciplinary action against the officers who did not monitor the quality of work during construction. The Controlling Officer is further urged to ensure that outstanding works are expeditiously completed. A progress report will be awaited by your Committee.

- **failed to construct access to private property consequently property owners were blocking the drainages to provide access to their properties (Lot 7 A1, Lot 7 A3, Lot 7 A4 and Lot 8 B11)**

The Controlling Officer submitted that the quantities for the drainage works were insufficient as such, additional quantities were requested for in variation Order No. 1, which was not cleared by the Attorney General on account that the Contract had expired.

Committee's Observations and Recommendations

Your Committee is of the view that had a survey been undertaken by the contractor before the commencement of the project, the irregularity would have been avoided. Your Committee, therefore, urges the Controlling Officer to ensure that management is sternly cautioned for the failure. Your Committee further urges him to ensure that the matter is expeditiously resolved and will await a progress report on the matter.

- **improperly constructed culvert as one end of the culvert did not have an outlet at the junction of Chiyuni Mazamba and Sikwaze road (Lot 7 A1)**

The Controlling Officer explained that RDA provided for quantities for the construction of access slabs/culverts in Variation Order No. 1. However, since the variation was not cleared by the Attorney General on account that the project had expired, the access culverts were not constructed.

Committee's Observations and Recommendations

Your Committee urges the Controlling Officer to ensure that the matter is expeditiously resolved and will await a progress report on the matter.

- **did not pitch walls of the drainages (Lot 7 A4) while in some cases stones pitched to the walls had fallen off and drainage structures, shoulders and walk ways were breaking off (Lot 8 B11).**

The Controlling Officer noted the observations and explained that the quantities for stone pitching were insufficient, therefore, the works were not undertaken.

Committee's Observations and Recommendations

Your Committee expresses concern that the road may be eroded, thereby, exposing the drainages and resulting in the possible loss of public funds, consequently, defeating the whole purpose for which the works on the road were done. In this regard, your Committee urges the Controlling Officer to ensure that the projects that RDA embarks on, are those that can be satisfactorily completed within available funds. Your Committee further urges the Controlling Officer to ensure that resources are mobilised in order to stone pitch the wall of the drainage as soon as possible. Your Committee will await a progress report on the matter.

- **abandoned works/ incomplete drainage works (Lot 7 A3)**

The Controlling Officer responded that the RDA provided for quantities for the construction of various drainage items in Variation Order No. 1. However, since this variation was not cleared by the Attorney General on account that the contract had expired, the drainage works were not completed.

Committee's Observations and Recommendations

Your Committee expresses concern that the road may be eroded, thereby, exposing the drainages and resulting in the possible loss of public funds, consequently, defeating the whole purpose for which the works on the road were done. In this regard, your Committee urges the Controlling Officer to ensure that the projects that RDA embarks on, are those that can be satisfactorily completed within available funds. Your Committee further urges the Controlling Officer to ensure that the matter is expeditiously resolved and will await a progress report.

- **did not complete drainage structures (Lot 8 B10) and in some cases the drainage structures were broken (Lot 7 A3).**

The Controlling Officer informed your Committee that RDA provided for quantities for the construction of various drainage items in Variation Order No. 1. However, since this variation was not cleared by the Attorney General on account that the contract had expired, the drainage works were not completed.

Committee's Observation's and Recommendation's

Your Committee expresses concern that the road may be eroded, thereby, exposing the drainages and resulting in the possible loss of public funds, consequently, defeating the whole purpose for which the works on the road were done. In this regard, your Committee urges the Controlling Officer to ensure that the projects that RDA embarks on are those that can be satisfactorily completed within available funds. Your Committee further urges the Controlling Officer to ensure that the matter is expeditiously resolved and will await a progress report.

12. Upgrading to Bituminous Standard of 98 km of the Katoba to Chirundu via Chiawa - Lot 1

a. Late Engagement of the Supervising Consultant

The Controlling Officer responded that the Supervisory Consultant was appointed on 6th February 2015, while the works commenced on 1st January 2015. However, it was worth noting that the Regional Manager managed the contract prior to the appointment of the Supervisory Consultant. During this period the contractor was carrying out Mobilising activities such as setting up of camp. The Regional Manager assigned an Engineer to look into the day to day project management issues on site.

Messrs ILISO Consulting Engineers had been engaged to undertake a Techno-Economic and Detailed Engineering Designs for the road. However, owing to the urgency with which Government wanted to commence the project, RDA had to convert the contract from a Techno-economic study to include the supervision aspect. This process took time and hence the delay in engaging the services of the Supervision Consultant by one month.

Committee's observations and Recommendations

Your Committee observes that it is a poor management practice for a project to commence before a consultant is appointed. Your Committee further expresses concern that works commenced without detailed designs. In this regard, therefore, your Committee strongly urges the Controlling Officer to ensure that the management at RDA is sternly reprimanded for this failure. Your Committee further urges the Controlling Officer to ensure that consultants are engaged at all times before tendering of works in order to ensure that the quality of works is commensurate with the funds paid to the contractors by the Government. Further, RDA should desist from commencing works before detailed designs are put in place in order to avoid the loss of public funds through variations. Your Committee requests the Office of the Auditor General to keep the matter in view in future audits.

b. Questionable Award of Works Contract

The Controlling Officer responded that the RDA sought and obtained authority from ZPPA before going ahead to engage China Geo through direct bidding in accordance with section 32 of the Public Procurement Act Sub section c which states that "additional goods, works or services must be procured from the same source because of the need for compatibility, standardization or continuity". Messrs China Geo were recommended for Lot 2 on the basis that they had successfully completed construction of Lot 1 on the same stretch of the road.

Committee's Observations and Recommendations

Your Committee is alarmed that ZPPA issued a No Objection on such a questionable request. Your Committee finds the justification for single sourcing China Geo Engineering for this project unacceptable and further finds it highly irregular for the Contractor to be granted undue advantage on this project despite having several qualified contractors on the open market ready to undertake the works. Your Committee observes that this may be a clear case of collusion and, therefore, strongly recommends that the matter be reported to investigative wings in order to establish the full details of this irregularity. Your Committee resolves to await a progress report on the matter.

c. Failure to Pay Consultant and Contractor on Time.

The Controlling Officer responded that RDA certified the works done as mandated by the *Public Roads Act No 12 of 2002* and submitted Payment Certificates to NRFA for Payment. The RDA had had no control on the timing of the payment to the Contractor. However, the Ministry of Housing and Infrastructure Development should continue to engage the Ministry of Finance to ensure that funding for road projects was provided timely.

Committee's Observations and Recommendations

Your Committee regrets that yet again, there is a delay in paying the contractor on time. It is the considered view of your Committee that the delay to pay the contractor on time will result in the accumulation of interest and penalty charges and the delay to complete the work as scheduled. This action, further demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee, therefore, regrets to observe that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are concluded. Further, your Committee directs that RDA should prepare a cash flow plan which NRFA should use to prepare a well structured payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased approach. Your Committee resolves to await an update on the payment to the contractor and the completion the works.

13. Periodic Maintenance of 10 km of T004 Great East Road from Arcades to Airport Roundabout

a) Lack of Detailed Engineering Drawings

The Controlling Officer responded that the RDA went to tender based on the initial assessment which indicated that the intervention needed was periodic maintenance. Kindly note that the initial scope was periodic maintenance which did not require detailed designs. Later, a detailed investigation Report from the Consultant showed that full rehabilitation intervention was required on selected sections of the road especially in the Chelstone area. RDA approved the recommendation from the Consultant that a full rehabilitation be undertaken in selected sections and changed the scope of works by issuance of Variation Orders No. 1 and 2 which resulted in an increase in the contract sum from K 65, 365, 865.10 to K178, 622, 860.36.

When the Contractor was engaged he first carried out works such as pothole patching and resurfacing of selected sections and these works did not require output of the detailed design while the design was being finalised for the sections that needed reconstruction.

Committees Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to keep the matter in view in future audits.

b) Increase in Price for Consultancy Services after Variation Order

The Controlling Officer responded that the increase in contract price was attributed to the following:

- extension of the consultancy services contract completion period to align it with the revised works contract completion period; and
- additional design services which included design of reconstruction sections and construction of extra lanes and extension of duration of design phase from one month to four months. These additional services required specialised key staff and extra resources and hence the substantial increase in the initial contract sum.

Committee's Observations and Recommendations

Your Committee expresses concern that the contract price was varied by 300 percent, above the best practice percentage of 25 percent on a particular contract. It is therefore, evident to your Committee that the initial bidding of the contract was done with the intention of getting an award by the Contractor. Your Committee observes that this should have been sufficient to warrant the termination of this contract and have it retendered upon confirmation by the officers who undertook a feasibility study on the project. Your Committee, therefore, observes that this is a clear case of collusion and recommends that the matter be reported to investigative wings for further probing. Your Committee will await a progress report on the matter.

c) Failure to Pay the Contractor and the Consultant On Time

The Controlling Officer noted the observation and responded that the RDA certified the works done as mandated by *the Public Roads Act No 12 of 2002* and submitted invoices to NRFA for Payment. The RDA had no control on the timing of the payment to the Consultant. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee reiterates that the payment of huge sums as interest on late payment of claims will continue as long as the coordination and cooperation between RDA and NRFA remain poor. Your Committee in this regard, implores the Controlling Officer to ensure that road contracts at RDA are only signed after confirmation of the availability of funds by the Treasury through NRFA, in order to avert such lapses. Your Committee further urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Furthermore, the Secretary to the Treasury is strongly being urged to intervene in this matter without further delay in order to avoid the further loss of huge sums of money due to delays on the payment of certified claims. Your Committee resolves to await a progress report on the matter and requests the Office of the Auditor General to keep the matter in view in future audits.

14. Design and Construction/Upgrading of Multi Facility Economic Zone (MFEZ) 2.4 km Chifwema Road Main Access and 50km various Internal roads in Lusaka City

a. Surface Irregularity - Road No. 1

The Controlling Officer responded that the contractor was directed to repair affected sections, but due to the contractor's financial challenges arising from the non-payment of outstanding Interim Payment Certificates the works were still pending.

Committee's Observations and Recommendations

Your Committee expresses concern that the failure by the contractor to repair the affected sections is as a result of delayed payments. Your Committee, therefore, urges the Controlling Officer to ensure that he liaises with the Secretary to the Treasury through NRFA, to facilitate the completion of this project in order for the highlighted defects to be remedied. Your Committee will await a progress report on the matter.

b. Failure to Undertake Outstanding Works within the Defect Liability Period

i) Failure to Reinstate Borrow Pit

The Controlling Officer in response explained that the project borrow areas had not been reinstated as observed by the Auditors. However, the contractor would reinstate the affected borrow pits after payment of outstanding Interim Payment Certificates owed to them.

Committee's Observations and Recommendations

Your Committee urges the Controlling Officer to ensure that the Borrow Pit is reinstated as soon as the Contractor remobilises. Your committee will await a progress report on the matter.

ii) Failure to Construct Bell Mouths

The Controlling Officer responded that the Contractor was instructed to construct bell mouths as part of the outstanding work on the snag list. However, the Contractor did not do so as a result of non-payment of outstanding IPCs. The RDA was planning that all outstanding work in the MFEZ which included the construction of more roads which would take care of bell mouth areas, shall be undertaken under a separate contract.

Committee's Observations and Recommendations

Your Committee observes that the delay to honour the certificates and the subsequent delay in the completion of the project was avoidable if RDA had engaged the Treasury through NRFA prior to signing the contract in order to establish the planned releases towards the project. It is, therefore, regrettable that RDA signed the contract without the Treasury's input on the funding time frame resulting in most works remaining outstanding. Your Committee urges the Controlling Officer and NRFA to make follow-ups with the Ministry of Finance in order to facilitate the completion of the remaining works. In addition, Your Committee urges the Controlling Officer to ensure that in future, contracts must be signed after the Treasury has given precise time frames for the release of funds in order for a more realistic completion period to be achieved. Your Committee resolves to await a progress report on the completion of the outstanding works.

c. Poor Construction Joints

The Controlling Officer stated that the Consultant instructed the contractor to carryout remedial works on affected sections in the snag list. The contractor had since commenced remedial works. However, progress had been slow due to cash flow challenges.

Committee's Observations and Recommendations

Your Committee finds it unacceptable for the Controlling Officer to only take action on the matter after the audit findings. This shows the lack of seriousness by the Controlling Officer and the RDA management in ensuring that the quality of works is commensurate with the funds paid to the contractor. Further, by this revelation, it is abundantly clear to your Committee that the project managers are not providing supervision as expected hence, the poor workmanship. Your Committee, therefore, urges the Controlling Officer to ensure that the identified defects are addressed without further delay. Your Committee will await a progress report on the matter.

d. Poor Workmanship

The Controlling Officer responded that the Consultant instructed the contractor to carryout remedial works on affected sections in the snag list. The contractor had since commenced remedial works. However, progress had been slow due to cash flow challenges.

Committee's Observations and Recommendations

Your Committee reiterates that it is unacceptable for the Controlling Officer to only take action on the matter after the audit findings. This shows the lack of seriousness by the Controlling Officer and the RDA management in ensuring that the quality of works is commensurate with the funds paid to the contractor. Further, by this revelation, it is abundantly clear to your Committee that the project managers are not providing supervision as expected hence, the poor workmanship. Your Committee, therefore, urges the Controlling Officer to ensure that the identified defects are addressed without further delay. Your Committee will await a progress report on the matter

e. Failure to Maintain Project Motor Vehicles

The Controlling Officer noted the observation and responded that the RDA requested the contractor in a letter dated 30th March, 2015, to handover the vehicles in a usable state, but they were yet to be handed over after being repaired. The contractor contended that he had not been able to repair the vehicles due to financial challenges as a result of non-payment.

Committee's Observations and Recommendations

Your Committee requests the Controlling Officer to pursue this matter to its logical conclusion and will await a progress report.

15. Upgrading to Bituminous Standard of D153 from Great East Road at Moono Police Check Point via Palabana to Chilyabale Basic School (54 km)

a. Failure to sign a Contract with the Consultant

The Controlling Officer responded that Bicon was awarded a contract for the tender for the techno-economic study and detailed engineering design and tender document preparation for the upgrading to bituminous standard of 216km of the Leopards Hill Road through Chiawa to Chirundu including Palabana/Silverest/Chalimbana Roads in Lusaka Province. The contract was signed on 14 August 2013.

However, owing to the urgency with which Government wanted to commence the works contract, similar to all other projects under Link Zambia Phase I, RDA felt it prudent to convert the contract to a design review and supervision since the contractor on this road had already been engaged. The main contractor had been granted authority by RDA to commence the detailed designs. RDA sought authority from ZPPA to convert the contract to a design review and supervision, however, ZPPA advised RDA to single source Messrs Bicon Zambia Limited. The process of converting the contract from a techno-economic study to detailed engineering design to design review and supervision took time.

A new contract for the design review and supervision was in place by December 2016, as it was finally signed on 17 July 2015.

Committee's Observations and Recommendations

Your Committee expresses concern with the increasing number of consultants that are being engaged without signing contracts, therefore, raising doubts on the capacity of such contractors to deliver quality works. Your Committee therefore, urges the Controlling Officer to sternly caution the RDA management to desist from this unacceptable practice. Your Committee further urges the Controlling Officer to ensure that RDA is closely supervised to ensure that consultants are only engaged after signing contracts to avert the recurrence of this irregularity. Your Committee requests the Office of the Auditor General to verify the matter after which it should be closed.

b. Failure to Pay Contractor on Time

The Controlling Officer explained that the RDA certified the services done as mandated by *the Public Roads Act No. 12 of 2002* and submitted invoices to NRFA for Payment.

The Controlling Officer explained that RDA had no control on the timing of the payment to the consultant. However, the Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that funding for road projects was provided timely.

Committee's Observation and Recommendation

Your Committee reiterates that the payment of huge sums as interest on late payment of claims will continue as long as the coordination and cooperation between RDA and NRFA remain poor. Your Committee in this regard, implores the Controlling Officer to

ensure that road contracts at RDA are only signed after confirmation of the availability of funds by the Treasury through NRFA, in order to avert such lapses. Your Committee further urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Furthermore, the Secretary to the Treasury is strongly being urged to intervene in this matter without further delay in order to avoid the further loss of huge sums of money on delayed payment of certified claims. Your Committee resolves to await a progress report on the matter.

16. Upgrading of Approximately 8 km of Mutumbi to Zambezi Road

a) Late Engagement of the Supervising Consultant

The Controlling Officer responded that during the absence of the Supervision Consultant, the Regional Manager for Lusaka supervised the works.

The procurement of the Supervising Consultant commenced in good time, but due to prolonged approvals the engagement of the consultant was delayed. RDA would ensure that Supervision Consultants were engaged in good time before commencement of works.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of Road contracts by RDA. It is shocking that the consultant who ordinarily should have been identified before the commencement of any works by the contractor was only engaged three months after the commencement of works. Your Committee observes that this conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the Public *Finance Act of 2004*. Your Committee further observes that this action has the potential to compromise the adherence to specification by the contractor as promulgated in the contract. In addition, your Committee is dismayed with the justification by the Controlling Officer that the Regional manager was able to supervise the works during this period. However, it is the strong view of your Committee that the Regional manager has no requisite equipment for assessing the adherence to specifications. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without further delay. Your Committee particularly urges the Secretary to the Treasury to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee sternly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee resolves to await a progress report on the current status of the road works. However, an assessment by the consultant to verify that the contractor adhered to the specifications as outlined in the contract should be undertaken before the commencement of other works.

b) Lack of Detailed Engineering Drawings

The Controlling Officer responded that RDA accepted the designs through the approval of Variation Order No 1. The resulting drawings from the designs were then issued to the Contractor by the Consultant.

Committees Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to keep the matter in view in future audits.

c) Irregular Engagement of the Contractor

The Controlling Officer responded that RDA Procurement Committee agreed with the recommendation of the Evaluation Committee that the failure to attach the EIZ/ERB certificate was not a material deviation as prescribed by regulation 66 (3) which states that a material deviation, reservation or omission shall be one that-

- i) affects, in any substantial way, the scope, quality or performance of the goods, works or services specified in the solicitation document;
- ii) would limit, in any substantial way, the procuring entity's rights or the bidder's obligations under any resulting contract or would be inconsistent with the solicitation document; or
- iii) if corrected, would unfairly affect the competitive position of other bidders presenting substantially responsive and compliant bids.

Committee's Observations and Recommendations

Your Committee is alarmed with the state of affairs at RDA where key requirements in the award of the contract at the post qualification evaluation stage are being overlooked. Your Committee does not accept the Controlling Officer's response as the Contractor should have met all the key requirements in the award of the contract at the post qualification evaluation stage. Your Committee, therefore, sternly cautions the Controlling Officer to desist from this practice. Your Committee further urges him to ensure that the RDA Procurement Committee and the Tender Evaluation Committee are reprimanded for this failure. However, your Committee resolves to close the matter subject to audit verification.

d) Failure to Renew Works and Consultancy Contracts

The Controlling Officer responded that works carried out by the contractor were not irregular as the works were carried out during the defects liability period. During this time the contract was still active and the contractor had obligations to the RDA in accordance with the conditions of contract, to execute the contract even after the intended completion date.

According to these conditions of contract, if the contractor completed work after the intended completion date, liquidated damages may be applied. A final account had been compiled and was being discussed to ascertain the liabilities of both parties.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

e) Physical Inspection

i) Trial Pit Tests

The Controlling Officer responded that measurements for the thicknesses shown above taken within seven kilometres of the project road were noted. The tolerance for thicknesses of pavements should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub bases in accordance with clause 3405 (b) of the SATCC.

From the results above, only two readings out of five were outside the allowable tolerance of 30 mm for measurements taken within the shoulders.

The Controlling Officer further responded that according to clause 7205 (b) of the SATCC specifications, at least 30, but preferably more, layer thicknesses shall be determined in accordance with a stratified random pattern for each lot of completed layer work. Layer thicknesses may be determined by means of level measurements taken before and after construction of the layer in exactly the same position, but may be augmented by thicknesses measurements taken by means of holes made in the layer. It states that the lot will be considered to comply with the requirements for layer thicknesses of these 30 –

- at least 90% of all the thickness measurements taken before any thickness repairs are made are equal to or greater than the specified thickness, minus the D_{90} tolerance specified in the appropriate section; and
- the mean layer thickness of the lot is not less than the specified thickness, minus the D_{mean} tolerance. Isolated spots where the actual thickness is less than the specified thickness less the D_{max} tolerance shall be repaired so as to fall within the D_{90} tolerance.

The tolerances being

	D_{90}	D_{max}	$D_{average}$	
Selected layer.....			30 mm	40 mm 10 mm
Subbase.....			21 mm	27 mm 5 mm
Base.....			21 mm	27 mm 5 mm
Wearing course.....			-	30 mm 0 mm
Shoulders.....			-	30 mm 0 mm

However, the sample size fell below the 30 thickness samples required per lot for a conclusive analysis.

RDA agreed with the Auditors to carry out up to ten measurements per project. This was to minimise the destruction to the roads since these thickness measurements are destructive.

Committee’s Observations and Recommendations

Your Committee expresses concern with the poor quality of works done despite the huge amounts of public funds spent on these projects. It is evident that the life span of the roads was highly compromised, resulting in value for money not being achieved. Your Committee further finds the reluctance by RDA to accept the findings by the auditors owing to the methodology used to assess the adherence to specification on the thickness unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officers to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee will await a progress report on the matter.

ii) Schmidt Hammer Test for Concrete

The Controlling Officer responded that the consultant had already noted defects on the walk way and had instructed the contractor to attend to them. These defects were expected to be rectified within the Defects Liability Period. The protection works were also expected to be carried out prior to the end of the Defects Liability Period (Final Completion). However, the execution of the protection works had been affected by the non-payment to the contractor.

Committee's Observations and Recommendations

Your Committee urges the Controlling Officer to ensure that the matter is expeditiously resolved and will await a progress report on the matter.

17. Rehabilitation of T2 – Lusaka to Chirundu Road – Link 3 KM 55+200 to km 73+100

The Controlling Officer noted the results obtained and responded that these tests were taken from the shoulder and according to clause 3405 (b) of the SATCC the tolerance for the shoulder thickness should be plus or minus 30mm. All the four results were within this tolerance hence acceptable.

Committee's Observations and Recommendations

Your Committee expresses concern with the poor quality of works done despite the huge amounts of public funds spent on these projects. It is evident that the life span of the roads was highly compromised, resulting in value for money not being achieved. Your Committee further finds the reluctance by RDA to accept the findings by the auditors owing to the methodology used to assess the adherence to specification on the thickness unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officers to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee will await a progress report on the matter.

18. Contract for the upgrading to Bituminous Standard of RD 149 and D151 from Great East Road at Chongwe district Hospital and Katoba Basic School (48.%) including D150 from Great east Road at CC Farms to RD 149 (12.5km) road – Lot 1 in Lusaka Province

a) Lack of Detailed Engineering Drawings

The Controlling Officer informed your Committee that the scope of works included bush clearing, earth works, construction of road formation, sub-grade and construction of pavement layers with asphalt surface on the carriage and shoulders.

As of December 2016, the contractor had been paid amounts totalling K11,103,599. In addition, the RDA owed the contractor amounts totalling K6,573,701 in respect of three (3) unpaid IPCs.

Committees Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to keep the matter in view in future audits.

b) Commencing Consultancy Work without a Signed Contract

The Controlling Officer responded that this project was part of Phase I of the Link Zambia 8000 Projects. Owing to the urgency with which Government wanted to commence the works, Phase I of the Link Zambia 8000 Programme had commenced on a 'design and build' basis. This implied that detailed designs were not in place by the time of tendering. The tendering was based on standard designs. The design was undertaken by the Contractor and reviewed by the Consultant in packages of about 10 to 20 km. RDA accepted the first chainages of designs from KM 1 + 500 to KM 29 + 500.

Committee's Observations and Recommendations

Your Committee expresses concern with the increasing number of consultants that are being engaged without signing contracts, therefore, raising doubts on the capacity of such contractors to deliver quality works. Your Committee, therefore, urges the Controlling Officer to sternly caution the RDA management to desist from this unacceptable practice. Your Committee further urges the Controlling Officer to ensure that RDA is closely supervised to ensure that consultants are only engaged after signing contracts to avert the recurrence of this irregularity. Your Committee requests the Office of the Auditor General to verify the matter after which it should be closed.

c) Physical Inspection

During the physical inspection the observations set out below.

i) Road Surface Irregularity

The Controlling Officer responded that the observation noted above was not for the project location and was not for the contract for the upgrading to Bituminous Standard of RD 149 and D151 from Great East Road at Chongwe District Hospital to Katoba Basic School (48.5) including D150 from Great East Road at CC Farms to RD 149 (12.5km) road – Lot 1 in Lusaka Province.

Committee's Observation and Recommendation

Your Committee requests the Office of the Auditor General to verify the Controlling Officers response and will await a progress report on the matter.

ii) Road Signs Retro Reflectivity

The Controlling Officer responded that industrial practice in accepting retro reflectivity of road signs in Zambia had mainly been based on engineering judgment. The use of the 922 field retro reflectometer by the Auditors was, therefore, new practice in Zambia. The RDA shall now pursue the use of this equipment to check reflectivity.

According to SABS 1519, which was specified by SATCC, the reflectivity differs depending on the colour of the material used. SABS 1519 and the contract document specified that the measurement should be taken from an observation angle of 0.3 degrees and an entrance angle of 5 degrees. However the equipment used for this test only allowed for an observation angles of 0.2 and 0.5 degrees instead of the 0.3 degrees specified in SABS 1519 and the contract.

Committee's Observations and Recommendations

Your Committee expresses concern with the varying positions regarding the matter which ordinarily should have been resolved during the audit process. Your Committee, therefore, urges the Controlling officer to ensure that the Road Signs Retro Reflectivity test is re-done by both RDA and Auditor General's Office in order to have an agreed position regarding the matter. Your Committee resolves to await a progress report on the matter.

19. Upgrading of D753/A2 Kenneth Kaunda International Airport through Kasisi to Great East Road, D176 Ngwerere Road from T2 Great North Road at Kabangwe to D 753 at Kasisi Mission Junction including D564 from T4 at Caltex to D176 at Ngwerere Basic School and Zambezi Extension from Roma Park to Ngwerere Road in Lusaka Province

a. Lack of Detailed Engineering Drawings

The Controlling Officer responded that Phase I of the Link Zambia 8000 Programme had commenced on a 'design and build' basis as was agreed with Government. The project was part of Phase I of the Link Zambia 8000 Projects. This implied that detailed designs were not in place by the time of tendering. The tendering was based on standard designs. The design was undertaken by the contractor and reviewed by the Consultant in packages of about 10 to 20 km.

Committees Observations and Recommendations

Your Committee finds unacceptable for RDA to rush into the award of the contract before obtaining detailed engineering designs especially given the magnitude of the project. Your Committee, therefore, reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution the RDA management for this irregularity. Your Committee further urges the Controlling Officer to ensure that the RDA management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to keep the matter in view in future audits.

b. Questionable Certification and Payments for Works

The Controlling Officer responded that the certification by the Supervision Consultant of works was correct. There were variations that were issued to the original contract which increased the contract sum to K 488,847,582.67.

Committee's Observations and Recommendations

Your Committee observes with concern that the huge variation is as a result of the continued abuse of the non-restriction on variations in the ZPPA Act. Your Committee further regrets to observe that the absence of detailed designs and drawings resulted in the variation of up to 73.3 percent. In this regard, therefore, your Committee strongly urges the Controlling Officer to ensure that the ZPPA Act is amended in order to legislate the capping threshold of 25 percent on variations. Your Committee resolves to await a progress report on the matter.

c. Lack of Consultancy Contract

The Controlling Officer responded that Bicon was awarded a contract for the tender for the techno-economic study and detailed engineering design and tender document preparation for the upgrading to bituminous standard of 216km of the Leopards Hill Road through Chiawa to Chirundu including Palabana/Silverest/Chalimbana Roads in Lusaka Province. The contract was signed on 14 August 2013.

However, owing to the urgency with which Government wanted to commence the works contract, similar to all other projects under Link Zambia Phase I, Management felt it prudent to convert the contract to a design review and supervision since the contractor on this road had already been engaged. The main contractor had been granted authority by RDA to commence the detailed designs. RDA sought authority from ZPPA to convert the contract to a design review and supervision, however, ZPPA advised RDA to single source Messrs Bicon. A new contract for the design review was finally signed on 17 July 2015 contrary to the observation that there was no contract as of December 2016.

Committee's Observations and Recommendations

Your Committee expresses concern at the increasing number of consultants that are being engaged without signing contracts, therefore, raising doubts on the capacity of

such consultants to deliver quality works. Your Committee further finds the justification by the Controlling Officer that the omission was due to the urgency in which the Government wanted to commence the works unacceptable, as the purported road has not been concluded within the initial completion period. Your Committee, therefore, urges the Controlling Officer to sternly caution management at RDA to desist from this unacceptable practice. Your Committee further urges the Controlling Officer to ensure that RDA is closely supervised in order for consultants to only be engaged after the signing of contracts in order to avert the recurrence of this irregularity. Your Committee requests the Office of the Auditor General to verify the matter after which it should be closed.

d. Physical Inspection

During a physical inspection, the following observations were made:

i. Road Signs Retro Reflectivity

The Controlling Officer noted the observation and responded that the industrial practice in accepting retro reflectivity of road signs in Zambia had mainly been based on engineering judgment. The use of the 922 field retro reflectometer by the Auditors was therefore new practice in Zambia. The RDA would pursue the use of this equipment to check reflectivity.

According to SABS 1519, which was specified by SATCC, the reflectivity differed depending on the colour of the material used. SABS 1519 and the contract document specified that the measurement should be taken from an observation angle of 0.3 degrees and an entrance angle of 5 degrees. However, the equipment used for this test only allowed for an observation angles of 0.2 and 0.5 degrees instead of the 0.3 degrees specified in SABS 1519 and the contract.

Committee's Observations and Recommendations

Your Committee expresses concern with the varying positions regarding the matter which ordinarily should have been resolved during the audit process. Your Committee directs that the Road Signs Retro Reflectivity test must be re-done by both RDA and Auditor General's Office in order to have an agreed position on the matter. Your Committee will await a progress report on the matter.

ii. Visual Inspection

The Controlling Officer responded that diversions were provided in the contract and they were constructed. However, due prolonged absence of the Contractor on site due to non-payment of IPCs it became challenging to maintain the diversions and to control traffic. Consequently, motorists opted to drive on the constructed crushed stone base layer thus leading to ravelling of the pavement layer. Further, other defects that were observed would be attended to.

Committee's Observations and Recommendations

Your Committee observes with concern that RDA seems to be randomly awarding contracts without planning for them. Your Committee observes that RDA should have ensured the availability of funds before awarding the contract as provided for under Clause 31 (1) of the Public Procurement Regulations of 2011. Your Committee urges the Controlling Officer to sternly caution management at RDA for this failure as it is evident that more tax payers money will be required to rebuild the pavement layers. Your Committee further urges the Controlling Officer to ensure that the defects are expeditiously attended to and will await a progress report on the matter.

20. Upgrading to Bituminous Standards and Realignment of the Approximately 91 km of D145 Road from Great East Road at (T004) at Luangwa Bridge to Luangwa (Feira) in Lusaka Province – Lot 4

a. Failure to Pay Contractor on Time

The Controlling Officer responded that the RDA certified the works done as mandated by the *Public Roads Act* No. 12 of 2002 and submitted Payment Certificates to NRFA for Payment. The RDA had no control on the timing of the payment to contractors. However, the Ministry of Housing and Infrastructure Development to engage the Ministry of Finance to ensure that funding for this project was provided timely.

Committee's Observations and Recommendations

Your Committee expresses concern that the contractor was being owed K61, 069,797. Your Committee observes with concern that the delay to pay the contractor on time will result in the accumulation of interest and penalty charges as well as the delay to complete the works as scheduled. Therefore, the failure to pay the contractor on time demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets, therefore, that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a well structured cash flow plan which NRFA must use to devise a payment plan, as a matter of urgency. Your Committee resolves to await an update on the payment to the contractor and the completion of the outstanding works.

b. Irregularities in the Implementation of the Contract

The Controlling Officer responded that during implementation and carrying out of the detailed designs the actual length was found to be 87.6 km and these were the works that were certified and paid for. Therefore, the payment for the 87.6km was regular.

The Controlling Officer further responded that this was a measurement contract and quantities provided in the BOQ are estimates. The contractor was, therefore, paid on actual measured quantities. The Addendum for the bridges had since been signed.

Committee's Observations and Recommendations

Your Committee notes the response, but urges the Controlling Officer to ensure that the three bridges are completed within the contracted period in order to avoid penalties and other interest charges. Your Committee awaits a progress report on the matter.

c. Wasteful Expenditure

The Controlling Officer responded that the repairs undertaken on the 2 km stretch were done at the Contractor's own cost.

Committee's Observations and Recommendations

Your Committee finds it unacceptable that this information was not availed to the auditors during the audit process. Your Committee, is therefore, of the view that had RDA informed the auditors that the repairs had been undertaken at the contractors own cost, the matter would have been resolved. Your Committee in this regard, urges the Controlling Officer to sternly caution management at RDA on the need to strengthen the evidently weak management of records. The RDA management is further urged to give the audit process the necessary attention that it deserves. Your Committee resolves to close the matter subject to audit verification.

d. Physical Inspection of the Road

A physical inspection revealed the following:

i. Pavement Construction - Main Road

The Controlling Officer responded that the design thickness of the base was 200mm and the sub-base was also 200mm. The measurements taken were for the base only and not the combined thickness of the base and sub-base as observed. The measurements as recorded on the signed sheet were as follows:

- at Km 87+500 RHS (165mm, 168mm, 165mm Average base thickness =166);
- at Km 86+200 LHS (200mm Average base thickness = 200);
- at Km 79+660 LHS (200mm, 160mm, 120mm Average =160mm);
- at Km 69+900 RHS (200mm, 200mm, 210mm Average =203mm);
- at Km 60+321 RHS the drilled core crumbled. It was difficult to measure the average base thickness in the trial pit as this section was at an Embankment;
- at Km 46+000 LHS the drilled core crumbled. The average base thickness measured in the trial pit was 163mm;
- at Km 35+100 RHS the drilled core crumbled. The Average base thickness measured in the trial pit was 135mm;
- at Km 19+300 LHS the drilled core crumbled. (140mm, 145mm, 150mm Average = 145mm); and
- at Km 0+000 LHS the drilled core crumbled.

During construction the consultant noted thickness using the level measurements which was a method supported by SATCC Clause 7205. These thickness show measurements within the tolerance as provided under SATCC Clause 3405.

The Controlling Officer further responded that according to clause 3405 (b) of the SATCC tolerance for thicknesses of pavements should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub-bases. However, according to clause 7205 (b) of the SATCC specifications, at least 30, but preferably more, layer thicknesses shall be determined in accordance with a stratified random pattern for each lot of completed layer work. Layer thicknesses may be determined by means of level measurements taken before and after construction of the layer in exactly the same position, but may be augmented by thicknesses measurements taken by means of holes made in the layer. It states that the lot will be considered to comply with the requirements for layer thicknesses if of these 30 –

- At least 90 percent of all the thickness measurements taken before any thickness repairs are made are equal to or greater than the specified thickness, minus the D_{90} tolerance specified in the appropriate section and;
- The mean layer thickness of the lot is not less than the specified thickness, minus the D_{mean} tolerance. Isolated spots where the actual thickness is less than the specified thickness less the D_{max} tolerance shall be repaired so as to fall within the D_{90} tolerance.

The tolerances being

	D_{90}	D_{max}	$D_{average}$
Selected layer.....	30 mm	40 mm	10 m
Subbase.....	21 mm	27 mm	5 mm
Base.....	21 mm	27 mm	5 mm
Wearing course.....	-	30 mm	0 mm
Shoulders.....	-	30 mm	0 mm

Committee's Observations and Recommendations

Your Committee finds the reluctance by RDA to accept the findings by the auditors owing to the methodology used to assess the adherence to specification on the thickness unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officers to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee will await a progress report on the matter.

ii. Surface Irregularity – 3 m Straight Edge - Surface Irregularity/ Longitudinal Streaking

The Controlling Officer responded that there would be some rutting (surface irregularity) over time particularly in the wheel tracks. This would be expected to happen on roads where axle loading was not controlled owing to lack of weighbridge facilities. If the test for surface irregularity was carried out after some time, the test would show some signs of irregularity on the surface.

Committee's Observations and Recommendations

Your Committee notes the response, but directs that since the contractor is still on site and the project is within the defects liability period, the highlighted defects must be corrected without further delay. Your Committee will await a progress report on the matter.

21. **Contract for the Engineering Design, Rehabilitation and Construction/Upgrading of Selected Lusaka Urban Roads in Lusaka City (L400)**

a. **Single Sourcing and Awarding of Contract to Non-Responsive Bidder**

Your Committee was informed that RDA requested for clarification from the contractor on items they were found to be non-responsive in the initial bid evaluation report. The bidder provided the requested information and the bid was re-evaluated accordingly. The seeking of the clarification is in line with Regulation 68 of the Procurement Regulation of 2011.

The re-evaluation was done on the basis of the re-submitted information and found the bid to be responsive.

Committee's Observations and Recommendations

Your Committee observes with concern that not only is the single sourcing of projects at variance with *Section 7 (3) of the Public Finance Act No.15 of 2004*, it also limits competitiveness in the total contract sum. Your Committee further expresses concern that whereas the initial Bid Evaluation Report was purportedly available, it was not provided to the auditors during the audit process. This, therefore, brings to question its authenticity and validity. Your Committee therefore, urges the Controlling Officer to ensure that management at RDA is sternly cautioned for their weak management of contract documents in order to avoid recurrence of this matter. The Controlling Officer is further urged to ensure that the issue of single sourcing is applied where necessary in order to allow for open bidding which encourages transparency, accountability and competitiveness in the awarding of road contracts. In addition, your Committee urges the Controlling Officer to ensure that the purported Bid Evaluation Report and other relevant documentation relating to this contract are submitted to the Office of the Auditor General for verification. Your Committee will await a progress report on the matter and requests the Office of the Auditor General to keep the matter in view in future audits.

b. **Poor Contract Management**

The Controlling Officer explained that the adherence to specifications was the basis for supervising the contractor. This contract was procured as a design and build project, implying that the contractor had to carry out the designs as well as the construction, while the supervising consultants undertook the design review as well as the construction supervision. The output of the design and build was known from the onset and this stipulated the interventions that were required on the various classes of road and ultimately the desired length that was to be achieved.

Committee's Observations and Recommendations

Your Committee is dissatisfied with the manner in which the supervising consultants were engaged. Your Committee observes that good engineering practice demands that a supervising consultant must be on site when the contractor commences works in order to ensure the strict adherence to specifications. Your Committee is alive to the fact that selected road projects in the L400 road project, have numerous defects due to the late engagement of supervising consultants among other things. However, while noting that the Contractor made some reviews, Your Committee is of the view that these may not give the proper position as the roads have already been done which therefore, compromises the quality of work. Your Committee in this regard, urges the Controlling Officer to ensure that supervising consultants are engaged before the commencement of any projects in order to achieve value for money in the implementation of the projects. Your Committee resolves to close the matter but urges the Office of the Auditor General to keep the matter in view in future audits.

c. Delay in Engagement of Consultants

The Controlling Officer responded that the contract with AVIC was a design and build contract where the contractor was supposed to first carry out detailed designs and then upon approval, undertook the works. This process was followed to the letter.

The works contract with AVIC commenced on 15th June 2013, after the finalisation of the Financing Agreement and therefore, contradicted the delay period of twenty four months in engaging the Consultant which was mentioned by the Auditors. It was worth noting that during the absence of the Supervising Consultant, the RDA through a Technical Committee, carried out the supervision and the Design Review.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of Road contracts by RDA. It is shocking that the consultants who ordinarily should have been identified before the commencement of any works by the contractor were only engaged for periods ranging from twenty three to twenty four months after the commencement of works. Your Committee observes that this conduct not only explains the poor works done by the contractor, but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Your Committee further observes that this action has the potential to compromise the adherence to specification by the contractor as promulgated in the contract. In addition, your Committee is dismayed with the justification by the Controlling Officer that RDA through a Technical Committee was able to supervise the works during this period therefore going against the approved requirements. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without further delay. Your Committee particularly urges the Secretary to the Treasury to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee also cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee further urges the Controlling Officer to ensure that an assessment by the consultant to verify that the contractor adhered to the specifications as outlined in the contract is undertaken before the commencement of other works. Your Committee will await a progress report on the current status of the road works.

d. Certification above the Loan Amount

The Controlling Officer responded that there had been no expenditure above the contract sum. The loan amount was fixed and any extra amount above it could not be certified or paid. As of August 2016, a total amount of USD 314,802,675.00 had been certified leaving a balance of USD 33,491,070.00. Further as of April 2017, a total amount of USD 334,540,273.00 had been certified leaving a balance of USD13, 753,472.00.

Committee's Observations and Recommendations

Your Committee expresses concern with the casual manner in which RDA management is taking the audit process. Whilst noting that the current position is opposing the auditors findings, your Committee observes that if this information was availed to the auditors during the audit process, the matter would have been resolved. Your Committee, therefore, urges the Controlling Officer to ensure that the poor record management at RDA is strengthened. In addition, your Committee also urges the Controlling Officer to ensure that the RDA management is sternly cautioned to take the audit process very seriously. Your Committee resolves to close the matter subject to audit verification.

e. Delayed Payment of IPCs

The Controlling Officer responded that the RDA had certified the services provided as mandated by the Public Roads Act No 12 of 2002 and submitted Invoices to NRFA for Payment. The RDA had no control on the timing of the payment to the Consultant. However, the Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee reiterates that the delay to honour certificates and the subsequent delay in the completion of the project were avoidable if the RDA had engaged the Treasury through NRFA prior to signing the contract, in order to establish the planned releases towards the project. It is regrettable therefore, that, RDA signed the contract without the Treasury's input on the funding time frame resulting in the project still outstanding due to failure to issue payments. Your Committee therefore, urges the Controlling Officer to make follow-ups with the Ministry of Finance on the remaining balance of K8, 888,738 in order to facilitate the completion of the remaining works. In addition, Your Committee urges the Controlling Officer to ensure that future contracts are only signed after the Treasury has given precise time frames for the release of funds in order for a more realistic completion period to be achieved. Your Committee resolves to await a progress report on the completion of the outstanding works.

f. Lot 1 (L 400)

i. Failure to Widen Bridge – Barlastone Road

The Controlling Officer responded that the bridge was recently constructed through another project and was still in good condition and fit for purpose. The bridge could

safely accommodate two passing vehicles. Further, traffic on this road was very low and adequate signage to warn motorists approaching the bridge had been installed. RDA would consider upgrading the bridge in the future depending on the increase in the levels of traffic.

Committee's Observations and Recommendations

Your Committee expresses concern that works commenced without detailed designs, therefore, resulting in this omission. Your Committee observes that had the detailed designs been put in place, the scope of works would have been fully appreciated as the designs would have eliminated the inefficiency error and omission associated with this irregularity. Your Committee strongly urges the Controlling Officer to sternly caution the RDA management for this failure. Your Committee further finds the Controlling Officer's suggested solution for the expected rise in traffic unacceptable as this would be a repetitive cost which money could have been channelled to other projects. It is in this regard that your Committee cautions the Controlling Officer to be proactive instead of being reactive when dealing with public funds.

ii. Inadequate Designs

The Controlling Officer responded that the works entailed upgrading the existing road from gravel/earth to bituminous standard. The road geometry followed the existing alignment mainly because of land use limitation. Correct signage had been installed. The posted speed limit of 40km/hour allowed for safe passage through the curves on this road. The drainage provided at this point was adequate.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

g. Lot 2 – Inadequate Design

i. Use of Concrete on Unstabilised Base - Lilayi Road – MA 0012

The Controlling Officer responded that the initial design did not provide for a gravel shoulder but provided for an earth shoulder. However, the design was changed after a design review was undertaken and it was recommended that the gravel shoulders be provided. The concrete laid was improvised by the Contractor and accepted by the Client with the view to ensure erosion protection. It was worth noting that this was carried out at the Contractor's own cost.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

ii. Lack of Bus Bays - Lilayi Road – MA 0012

The Controlling Officer responded that the bus bays on existing roads were only provided on sections of the road where Lusaka City Council had confirmed as designated locations for the bus bays.

Committee's Observations and Recommendations

Your Committee finds the reasons advanced by the Controlling Officer on the omission of bus bays unacceptable. Your Committee is alive to the fact that Lusaka City Council is a Government institution which the RDA should have approached on the need to include bus bays on the road in question. The bus bays would have then been included in the initial design. In view of the foregoing and in an effort to reduce the further deterioration of the road, your Committee strongly urges the Controlling Officer to ensure that RDA engages the Lusaka City Council on the need to approve the inclusion of bus bays on the road without any further delay. Your Committee will await a progress report on the matter.

iii. Lack of Access Culverts - Lilayi Road – MA 0012

The Controlling Officer responded that access culverts were provided to existing properties at the time the road was being constructed and access culverts were not provided for the properties that were constructed after the road works were completed. However, there was a challenge of providing access culverts especially in unplanned settlements. As a result, it became impractical to provide access culverts to each unit principally based on the haphazard manner in which the buildings were developed.

Committee's Observations and Recommendations

Your Committee observes that due diligence was not done before the implementation of the project. It is therefore, the considered view of your Committee that RDA should have taken into account the anticipated construction in the area to avoid the irregularity. Your Committee therefore, urges the Controlling Officer to ensure that management at RDA is cautioned for the failure and that in future, such unexpected eventualities should be taken into account in the Agency's planning. Your Committee awaits an update on the correction of the irregularity.

iv. Failure to Pave Shoulders – MA002 Shaft 5

The Controlling Officer responded that the initial design did not provide for a gravel shoulder but provided for an earth shoulder. However, the design was changed after a design review was undertaken and it was recommended that the gravel shoulders be provided.

Committee's Observations and Recommendations

Your Committee urges the Controlling Officer to ensure that the defects on the shoulders are expeditiously attended to in order to avert the failure of withstanding expected loads on the road. Your Committee awaits a progress report on the matter.

h. Lot 3

i. Failure to Relocate Private Properties from the Road Reserve

The Controlling Officer responded that according to Section 21, subsection (3) of the Public Roads Act No. 12 of 2002 which defines the road reserve for each class of roads, the width of the road reserve does not apply in Local Authorities. RDA relied on the Report undertaken by the Government Valuation Department to ascertain that the purported owner was in fact the owner. Further, a culvert had been placed on EA008 at chainage 0+097 had been constructed and was functional.

Committee's Observations and Recommendations

Your Committee regrets that due diligence was not done before the implementation of the project. It is the considered view of your Committee that if the initial designs and drawings for the L400 project were well done, the irregularity would have been avoided. Your Committee therefore, directs the Controlling Officer to ensure that all the matters relating to the implementation of the roads are resolved and the standard specifications of urban roads must be followed to the latter. Your Committee awaits a progress report on the matter and urges the Office of the Auditor General to keep the matter in view in future audits.

ii. Barlastone WA 19

The Controlling Officer responded that the bridge was recently constructed through another project and was still in good condition and fit for purpose. The bridge could safely accommodate two passing vehicles. Further, traffic on the road was very low and adequate signage to warn motorists approach the bridge had been installed. RDA would consider upgrading the bridge in the future depending on the increase in the levels of traffic.

Committee observations and Recommendations

Your Committee observes that the omission is as a result of works commencing without detailed designs in place. Your Committee is of the view that had the detailed designs been put in place, the scope of works would have been fully appreciated as the designs would have eliminated the inefficiency error and omission associated with the irregularity. Your Committee strongly urges the Controlling Officer to sternly caution RDA management for the failure. Your Committee further finds the Controlling Officer's suggested solution for the expected rise in traffic unacceptable as this could be a repetitive cost whose money would have been channelled to other projects. It is in this regard therefore, that your Committee strongly urges the Controlling Officer to be proactive instead of being reactive when dealing with public funds. Your Committee awaits a progress report on the creation of a provision for a footpath on the bridge.

iii. Chilimbulu Road

The Controlling Officer responded that kerbstones could be laid as precast units or cast in-situ (SATCC 2302.b). The kerbstones in Chilimbulu were cast in-situ. These kerbs were not plastered. The smoothness of the finish was because of the method of construction (i.e cast in-situ). As per Technical Specification (Issued on 12th July 2013 , titled Technical Specifications and Design Standards), the exposed height of 200mm meets the 150 – 200 mm height requirement in the RDA specifications (3.3.3).

Km 2+440 Kerbs: This matter referred to coring that was done on the end of a bell mouth of an adjoining road which was not part of this road and would technically be of a different class and not part of the works. Improvement of the Sundula road/Chilimbulu junction was awaiting relocation of services.

The sub-base was 45mm: This matter referred to coring that was done on the end of a bell mouth of an adjoining road which was not part of this road and would technically be of a different class and not part of the works.

Km 4+020: The stabilised sub-base had not yet cured when the coring was done. Coring was done within 48 hours of completion of stabilisation. The Auditors had been informed. The method of curing involved watering. The sub-base had not yet cured, hence the crumbling on watering.

Committee's Observations and Recommendations

Your Committee finds the reluctance by RDA to accept the findings by the auditors unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officer to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee awaits a progress report on the matter.

iv. Mumbwa Road

The Controlling Officer responded that at the time of the audit, the works were still on-going and works that were perceived to be outstanding had been attended to as follows:

- SATCC 4212 (a) – v: The irregularity reported was not supported by the length and frequency of such occurrence. An irregularity of 10mm was within tolerance for other roads as per SATCC 4212 (a) (v) (3).
- Faded road markings had been repainted prior to takeover.
- The minimum clearance of overhead cables was 6m. Clearance of 11kV power lines across the road was more than 6m. Service ducts were being incorporated as required. This was being done in consultation with service providers in all new works.
- The bollards were installed by private individuals and are not part the project and that they were not constructed in the shoulder. This defect was corrected.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification

v. Nampundwe Road WA056

The Controlling Officer responded that at the time of the audit, the works were still on-going and works that were perceived to be outstanding had been attended to as follows:

- The 90mm was the combined thickness of the wearing course and binder layer and not for the sub-base. All roads in the western area were raised from their initial levels using imported and qualified materials.
- The road had been reinstated to the required standards.
- Bell mouth to access roads (WA057 & WA055) had been constructed with proper/required transitions.

Committee's Observations and Recommendations

Your Committee finds the reluctance by RDA to accept the findings by the auditors unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officer to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee awaits a progress report on the matter.

vi. MA 0012, MA 001 Kafue Road to Lilayi Police College

The Controlling Officer responded that the initial design did not provide for a gravel shoulder but provided for an earth shoulder. However, the design was changed after a design review was undertaken and it was recommended that the gravel shoulders be provided. The concrete laid was improvised by the Contractor and accepted by the client with the view to ensure erosion protection. This was carried out at the contractor's own cost.

Initially the junction was considered as a curve because at the time the design was being produced, it was understood that the straight earth road was actually a private access to Zambia Police property and that the Police considered closing it for security reasons. Therefore, because the Lilayi to Kafue Road takes a 90 degrees bend, the design considered this a sharp curve. However, a "T-junction" sign has since been installed.

- All the construction joints which were defective were earlier noted by the consultant and they had since been rectified.
- The bus bays on existing roads were only provided on sections of the road where Lusaka City Council had confirmed as designated locations for the bus bays.

Access culverts were provided to existing properties at the time the road was being constructed and access culverts were not provided for those properties that were constructed after the road works were completed. However, there was a challenge of providing access culverts especially in unplanned settlements. As a result, it became impractical to provide access culverts to each unit principally based on the haphazard manner in which the buildings L400 Various Road Links.

Committee's Observations and Recommendations

Your Committee notes the response but urges the Controlling Officer to ensure that Lusaka City Council is re engaged on the need to provide for bus bays on the existing roads in order to safeguard the lifespan of the road. Your Committee further urges the Office of the Auditor General to keep the matter in view in future audits.

vii. L400 Various Road Links

- **Enock Kavu Road**

The Controlling Officer informed your Committee that earth drains especially where the sides had been sloped and grass had grown could serve the intended purpose and had been found to effectively drain the area faster through percolation in the adjacent soil. Drainage on most Lusaka roads are in flat terrain and the effects of erosion are minimal.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

- **Mtendere East Road**

The Controlling Officer informed your Committee that the specification of the base thickness for the referenced roads was 125 mm and the tolerance for thicknesses of pavements should be a maximum of plus or minus 27 mm for bases or sub bases in accordance with clause 3405 (b) of the SATCC and 90% of the results should be within plus or minus 21 mm. Although the cited results were within tolerance, the sample size during the inspection fell below the minimum 30 samples required per lot for a conclusive analysis.

Committee's Observations and Recommendations

Your Committee finds the reluctance by RDA to accept the findings by the auditors unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officer to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee awaits a progress report on the matter.

- **Kabulonga EA 088**

The Controlling Officer informed your Committee that the specification of the base thickness for the referenced roads is 125 mm and the tolerance for thicknesses of pavements should be a maximum of plus or minus 27 mm for bases or sub bases in accordance with clause 3405 (b) of the SATCC and 90 percent of the results should be within plus or minus 27 mm. Although, the cited results were within tolerance, the sample size during the inspection fell below the minimum 30 samples required per lot for a conclusive analysis.

Committee's Observations and Recommendations

Your Committee finds the reluctance by RDA to accept the findings by the auditors unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officers to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee awaits a progress report on the matter.

22. Upgrading to Bituminous Standard of the Leopards Hill Road (D152) from the State Lodge Junction to Katoba Basic School in Lusaka

a. Unjustified Direct Bidding (Single sourcing)

The Controlling Officer informed your Committee that RDA made a request for and obtained authority from ZPPA to engage China Geo through Direct Bidding (Single sourcing) on the basis that the project was urgently required to be procured for the launch of the Link Zambia 8000 Programme. The request for direct bidding was in accordance with section 32 (2) (b) of the *Public Procurement Act of 2008* and ZPPA granted authority.

Committee's Observations and Recommendations

Your Committee reiterates that not only is the single sourcing of projects at variance with *Section 7 (3) of the Public Finance Act No.15 of 2004*, it also limits competitiveness in the total contract sum. Your Committee therefore, urges the Controlling Officer to ensure that the management of RDA is sternly cautioned for the lapse. Your Committee further urges the Controlling Officer to ensure that the issue of single sourcing is stopped forthwith, to allow for open bidding which encourages transparency, accountability and competitiveness in the awarding of road contracts. In addition, your Committee urges the Controlling Officer to ensure that the relevant documentation relating to the contract be submitted to the Office of the Auditor General for verification and will await a progress report on the matter. The Office of the Auditor General is urged to keep the matter in view in future audits.

b. Excessive Variations

The Controlling Officer informed your Committee that the contract was varied in accordance with the contract provisions. There was no capping on the amount to be varied in the contract and this was done in line with the Public Procurement Regulations No. 150(1) of 2011.

Committee's Observations and Recommendations

Your Committee is once again disappointed with the reckless abuse of variations by RDA due to the absence of a capping on variations in the *ZPPA Act No 12 of 2008*. Your Committee is shocked with the 110 percent variation on the contract and observes that this unjustified conduct by RDA if left unchecked will result in a huge debt which the Treasury will fail to offset. Your Committee therefore, strongly urges the Controlling

Officer to ensure that the *ZPPA Act of No 12 of 2008* is amended to include a capping threshold of 25% on variations in order to bring to a stop to the abuse of variations by RDA. Your Committee awaits a progress report on the matter.

c. Lack of Detailed Engineering Drawings

The Controlling Officer informed your Committee that the launch of this project in fact signified the launch and commencement of the Link Zambia 8000 Programme. Owing to the urgency with which the Government wanted to commence the works, the project had commenced on a 'design and build' basis. This implied that detailed designs were not in place by the time of tendering. The tendering was based on preliminary quantities. Using this accelerated method of implementation, the appointed Consultant would deliver designs to the Contractor to execute in packages of about 10 to 20 km. Whilst this method shortened the implementation cycle of the project by eliminating the time a consultant should take to undertake detailed design (12 to 18 months), and approximately 6 months for design review prior to tendering for works, it exposed the RDA to high risks of cost escalations due to the fact that the real scope, cost and time frame for the project was unknown.

Under Phase II of the Link Zambia 8000, RDA management would endeavour to ensure that designs and drawings are provided in good time before commencement of works.

Committee's Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to keep the matter in view in future audits.

d. Physical Inspection

i. Leopards Hill Road from State Lodge Junction to Katoba Basic School

The Controlling Officer informed your Committee that the re-alignment of the road in selected sections resulted in the reduction of the overall length of the road hence accounting for the 4.05 km identified by the Auditors as missing. However, RDA only paid for measured works in accordance with the revised designs and bill of quantities.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure that when the Contractor resumes work, the section in question should be corrected. Your Committee will await a progress report on the matter.

ii. Reflective Cracking on UNZA – Kamloops Link

The Controlling Officer informed your Committee that although the contract had been handed over and that the Defects Liability Period had elapsed, the contractor had sealed the crack.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

iii. Drainage Problems on NASDEC link roads

The Controlling Officer informed your Committee that at the time of handing over on January 17 2015, the drain was functional. However, a number of structures had been erected in the area thus affecting the discharge channel for the drainage structure. The works would be included under the maintenance schedule.

Committee's Observations and Recommendations

Your Committee does not accept the Controlling Officer's response. It is therefore, the considered view of your Committee that RDA should have taken into account the anticipated construction in the area to avoid the omission. Your Committee therefore, urges the Controlling Officer to ensure that management at RDA is cautioned for this failure and that in future, such unexpected eventualities should be taken into account in the Agency's planning. Your Committee will await an update on the correction of the highlighted defects during the maintenance.

iv. Location of Street Lights and Electricity Poles

The Controlling Officer informed your Committee that RDA had engaged ZESCO with the view to relocate the pole.

Committee's Observations and Recommendations

Your Committee resolves to await a progress report on the matter.

v. Sunset Stadium Road Link Base Coring

The Controlling Officer informed your Committee that according to clause 7205 (b) of the SATCC specifications at least 30, but preferably more, layer thicknesses shall be determined in accordance with a stratified random pattern for each lot of completed layer work. Layer thicknesses may be determined by means of level measurements taken before and after construction of the layer in exactly the same position, but may be augmented by thicknesses measurements taken by means of holes made in the layer. It stated that the lot will be considered to comply with the requirements for layer thicknesses of 30.

- i) At least 90% of all the thickness measurements taken before any thickness repairs are made are equal to or greater than the specified thickness, minus the D_{90} tolerance specified in the appropriate section and;

- ii) The mean layer thickness of the lot is not less than the specified thickness, minus the D_{mean} tolerance. Isolated spots where the actual thickness is less than the specified thickness less the D_{max} tolerance shall be repaired so as to fall within the D_{90} tolerance.

The tolerances being:

	D_{90}	D_{max}	D_{average}
Selected layer.....	30 mm	40 mm	10 mm
Subbase.....	21 mm	27 mm	5 mm
Base.....	21 mm	27 mm	5 mm
Wearing course.....	-	30 mm	0 mm
Shoulders.....	-	30 mm	0 mm

The Controlling Officer further informed your Committee that the sample size fell below the 30 thickness samples required per lot for a conclusive analysis. RDA agreed with the Auditors to carryout up to ten measurements per project. This was to minimise the destruction to the roads since the thickness measurements were destructive.

Committee's Observations and Recommendations

Your Committee finds the reluctance by RDA to accept the findings by the auditors unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officer to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee will await a progress report on the matter.

COPPERBELT PROVINCE

23 The Periodic Maintenance of 14 km of Road M016/M004 from Kalulushi to Sabina Road and 9 km of the Sabina to Mufulira Road on the Copperbelt Province

The Controlling Officer informed your Committee that the contract in accordance with clause 37.1 (b) provides that the Project Manager (Director - Construction and Rehabilitation formerly Senior Manager - Construction and Maintenance) can vary the contract up to a maximum limit of 15 per cent for changes in quantities beyond which he should obtain prior approval from the Employer (RDA Procurement Committee).

The necessary approvals to exceed the contract price to incorporate the variations were granted. The variations were necessitated by the additional works on the contract and were considered cost effective because the mobilisation cost was cheaper as opposed to proceeding to tender.

Committee's Observations and Recommendations

Your Committee expresses concern with the change of the initial contract from periodic maintenance to complete rehabilitation therefore, resulting in the unjustifiable variations of 415 percent. Your Committee observes that this, therefore, shows the poor planning

by RDA regarding the matter. It is the considered view of your Committee that had RDA done a detailed analysis of the state of the road, a decision to completely rehabilitate the road could have been made right from the beginning. Your Committee further finds the variation of 415 percent highly unacceptable. Your Committee is of the view that this is a clear case of collusion between some officers at RDA and the contractor. It is in this regard, therefore, that your Committee strongly urges the Controlling Officer to ensure that the matter is reported to relevant investigative wings for further probing. Your Committee further urges the Controlling Officer to institute disciplinary action against the erring officers at RDA for this serious omission and will await a progress report on the matter.

24 Kitwe – Chingola Dual Carriage Way

a. Late Recruitment of the Supervising Consultant

The Controlling Officer noted the observation and responded that during the two month period between commencement of the works and engagement of an outsourced supervising consultant, the RDA Regional Manager managed the contract and supervised the works. During this period, the contractor was mainly carrying out mobilisation activities such as setting up of camp and plant and machinery.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of Road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor, was only engaged two months after the commencement of works. Your Committee observes that the conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Your Committee further observes that this action has the potential to compromise the adherence to specifications by the contractor as promulgated in the contract. In addition, your Committee is dismayed with the justification by the Controlling Officer that the Regional manager was able to supervise the works during this period. However, it is the strong view of your Committee that the Regional manager has no requisite equipment for assessing the adherence to specifications. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without further delay. Your Committee particularly urges the Secretary to the Treasury to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee sternly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee resolves to close the matter but urges the Office of the Auditor General to keep the matter in view in future audits.

b. Wasteful Expenditure on Payment of Interest

The Controlling Officer informed your Committee that RDA certified the works done as mandated by the *Public Roads Act No. 12 of 2002* and submitted Payment Certificates/Invoices to NRFA for Payment. RDA had no control on the timing of the payment to contractors. However, the Ministry of Housing and Infrastructure

Development would continue to engage the Ministry of Finance to ensure that the funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of projects has immensely contributed to delay in paying contractors. Your Committee observes with concern that, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. It is in this regard that your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until the outstanding contracts are completed. Your Committee further urges the Controlling Officer to ensure that RDA develops a well structured cash flow plan which NRFA must use to devise a payment plan, as a matter of urgency. Your Committee urges the Controlling Officer to pursue the matter to its logical conclusion and awaits a progress report on the matter.

c. Failure to Pay the Contractor on Time

The Controlling Officer informed your Committee that RDA certified the works done as mandated by the *Public Roads Act* No. 12 of 2002 and submitted Payment Certificates/Invoices to NRFA for Payment. RDA had no control on the timing of the payment to contractors. However, the Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan for outstanding payments, as a matter of extreme urgency. This should clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs that in future, RDA should strictly follow its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

25 Rehabilitation of 23.5 km of Selected Urban Roads in Chingola town on the Copperbelt Province

a. Contract with Red Lion Construction Zambia - Failure to Appoint a Supervising Consultant

The Controlling Officer informed your Committee that works could be supervised in-house by RDA or could be supervised by an appointed supervision consultant. In this case, the Regional Manager was delegated with the function to supervise the works.

He stated that the Regional Manager used RDA equipment which was complemented by laboratory equipment at the Central Materials Laboratory to assist in the supervision of the works. The Regional Manager dedicated an Engineer to look into the day to day project management issues on site and therefore the delay on the project was not occasioned by the Regional Manager's lack of equipment and presence on site.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant who ordinarily should have been identified before the commencement of any works by the contractor, was not appointed. Your Committee contends that the over procurement of projects has immensely contributed to delay in paying contractors. Your Committee observes with concern that, the lack of co-ordination between RDA and NRFA has equally contributed to the vice. It is in this regard that your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until the outstanding contracts are completed. Your Committee further urges the Controlling Officer to ensure RDA should develop a well structured cash flow plan which NRFA must use to devise a payment plan, as a matter of urgency. Your Committee resolves to await a progress report on the current status of the road works.

b. Contract with Mivami Construction Zambia Limited

i. Late Recruitment of a Supervising Consultant

The Controlling Officer informed your Committee that works could be supervised in-house by RDA or could be supervised by an appointed supervision consultant. In this case the Regional Manager was delegated with the function to supervise the works. He stated that the Regional Manager used RDA equipment which was complemented by laboratory equipment at the Central Materials Laboratory to assist in the supervision of the works. The Regional Manager dedicated an Engineer to look into the day to day project management issues on site and therefore the delay on the project was not occasioned by the Regional Manager's lack of equipment and presence on site. RDA would ensure that supervision consultants were engaged in good time before commencement of works.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor was only engaged seven months after the commencement of works. Your Committee resolves to close the matter but urges the Office of the Auditor General to keep the matter in view in future audits.

ii. Contract Termination due to Lack of Capacity

The Controlling Officer informed your Committee that the RDA complied with the findings of the Due Diligence Teams Report and proceeded to request ZPPA for authority to cancel the award to Mivami Construction Zambia Limited. However, ZPPA instructed

RDA to proceed with the award of contract to Messrs Mivami Construction. On the basis of the ZPPA letter and the meeting with Mivami, the contract was the signed.

Committee's Observations and Recommendations

Your Committee contends that the very fact that ZPPA instructed RDA to proceed with the awarding of the contract to Mivami Construction Zambia Limited validates your Committee's anxieties on the need to revise the *ZPPA Act No 15 of 2008* concerning the discretionary powers that ZPPA has on the procurement of road projects. Your Committee is more inclined to following the decision given by RDA that the Contractor lacked the necessary capacity to undertake the works. It is therefore clear that ZPPA had a vested interest in the awarding of this contract. It is in this regard that your Committee particularly urges the Secretary to the Treasury to ensure that the ZPPA is reprimanded for misleading RDA. Your Committee further urges the Secretary to the Treasury to report the matter to relevant investigative wings to establish whether there was abuse of office in the matter. Your Committee will await a progress report on the matter.

iii. Increase in Consultancy Contract Sum due to Extension of Time

The Controlling Officer informed your Committee that the supervision contract was a time based contract where payment was based on time taken. It therefore, meant that an extension of time on the contact would result in an increase in cost hence the increase in the contract sum. This was necessary because the works contract was on-going and, therefore, the consultant was needed to provide oversight on the contract.

Committee's Observations and Recommendations

Your Committee finds it unacceptable for an institution grappling with offsetting a huge debt to have allowed the avoidable increase of the contract sum by 146.4 percent due to the extension of the project. Your Committee therefore, urges the Controlling Officer to ensure that RDA only signs contracts upon the confirmation of the availability of funds by the Treasury through NRFA to avert the recurrence of such an omission. Your Committee resolves to close the matter but requests the Office of the Auditor General to keep the matter in view in future audits.

iv. Unsettled Final Account Liability

The Controlling Officer informed your Committee that Mivami Construction Limited had been liquidated and RDA had engaged a liquidator with a view to recover amounts owed. However, the Liquidator had requested RDA to write off the debt as Mivami did not have assets. RDA had informed the Liquidator that the debt could not be written off. RDA would continue to engage the liquidator to ensure that the debt is recovered.

Committee's Observations and Recommendations

Your Committee will await a progress report on the recovery of the advance payment amounting to K 9,145,836.

c. Contract with Asphalt Worx Limited - Failure to Pay Contractor on Time

The Controlling Officer informed your Committee that the RDA certified the works done as mandated by the *Public Roads Act* No 12 of 2002 and submits Payment Certificates to NRFA for Payment.

RDA had no control on the timing of the payment to Contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the funding for this project was made available timely.

Committee's Observations and Recommendations

Your Committee resolves to await a progress report on the matter.

d. Physical Inspection

i. Kasompe Road

The Controlling Officer informed your Committee that the result of the measurement taken was noted.

However, the tolerance for thicknesses of pavements which should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub bases in accordance with clause 3405 (b) of the SATCC Specifications.

He stated that according to clause 7205 (b) of the SATCC specifications, there should be a specific number of samples that were to be taken for a conclusive analysis. However, the samples taken fell below the minimum number of the samples required and thereby it could not be concluded that the entire stretches of road were out of specification. Due to the destructive nature of the pavement thickness tests which were to be carried out on the completed sections of road, RDA and Auditors agreed to only carryout up to ten (10) measurements per project.

Committee's Observations and Recommendations

Your Committee finds the reluctance by RDA to accept the findings by the auditors unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officers to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee awaits a progress report on the matter.

ii. President Road

The Controlling Officer informed your Committee that the existing road base was found to be adequate and the Contractor was thereafter not paid for any new crushed stone base.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

iii. Mkushi Road

The Controlling Officer informed your Committee that the design for the road was to scarify the existing road base and shoulder to 150mm depth and use it as a sub-base and thereafter import the crushed base course of 150mm from commercial sources. The base was not blended with the existing road base.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

iv. Kabompo Road

The Controlling Officer informed your Committee that the base that was constructed was crushed stone base and not a neat gravel base. However, the sub-base was of neat gravel and was within specification.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

v. Mukuba Road

The Controlling Officer informed your Committee that potholes observed on Mukuba Road were localised and not present on the entire road section. Therefore, RDA would ensure that all ensuing defects on the road would be remedied once the Contractor was paid outstanding Interim Payment Certificates (IPCs).

Committee's Observations and Recommendations

Your Committee urges the Controlling Officer to ensure that the highlighted defects are remedied as soon as the contractor remobilises and will await a progress report.

26 Construction of Bridge at Mufuchani across the Kafue River - Delayed Payment of Advance Payment and Interim Payment Certificates (IPCs)

The Controlling Officer informed your Committee that advance payment was delayed because of the contractor submitting unacceptable Advance Guarantees which were rejected by RDA. The acceptable guarantee was submitted on July 18, 2014 and payment was made on September 4, 2014.

Committee's Observations and Recommendations

Your Committee urges the Controlling Officer to sternly caution management for mismanaging the contract and awaits a progress report on the matter.

27 Upgrading and Rehabilitation of Approximately 14.6 km of Indeni to T003 Road via Fatima Girls School

a. Late Engagement of the Supervising Consultant

The Controlling Officer informed your Committee that the Regional Manager supervised the works prior to the appointment of the supervising consultant. The Regional Manager assigned an Engineer to look into the day to day project management issues on site. RDA would ensure that supervising consultants are engaged in good time before commencement of works.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant who ordinarily should have been identified before the commencement of any works by the contractor was only engaged five months after the commencement of works. Your Committee observes that this conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of *the Public Finance Act of 2004*. Your Committee further observes that the action has the potential to compromise the adherence to specifications by the contractor as promulgated in the contract. In addition, your Committee is dismayed with the justification by the Controlling Officer that the Regional Manager was able to supervise the works during the period. However, it is the strong view of your Committee that the Regional manager has no requisite equipment for assessing the adherence to specifications. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for the omission are disciplined without further delay. Your Committee particularly urges the Secretary to the Treasury to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in the anomaly. Your Committee sternly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee urges the Office of the Auditor General to keep the matter in view in future audits.

b. Failure to Re-instate Borrow Pit - Physical Inspections and Test Results

The Controlling officer informed your Committee that the Borrow Pit had since been installed.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

28 Periodic Maintenance of 64 km of Ndola – Kitwe Dual Carriageway

a. Questionable Supervision by the Consultant

Your Committee was informed that RDA rejected all failed sections and the contractor was instructed to remedy all defects at his own cost which was currently ongoing. This led to the removal and replacement of the Resident Engineer from site who supervised the initial works.

Further, RDA had launched a complaint to the Engineering Institution of Zambia over the performance of the consultant.

Committee's Observations and Recommendations

Your Committee notes the response but urges the Controlling Officer to ensure that the highlighted defects are remedied immediately the Contractor remobilises. Your Committee awaits a progress report on the matter.

b. Construction of Road Along the Maposa – Refinery 66KV Line 1 and 2 Way Leave

Your Committee was informed that RDA and CEC had agreed on safety measures to protect the pylons and motorists such as:

- Guard rails
- Traffic calming (Speed humps)
- Enhanced signage
- Concrete barriers

These measures were implemented to improve safety for motorists and as such, cannot be considered to be wasteful expenditure. If anything, re-aligning the road would have been more costly. RDA shall continue to review these measures from time to time.

Committee's Observations and Recommendations

Your Committee observes that there is no due diligence by RDA before implementing road projects. Your Committee finds it unacceptable that RDA went ahead to construct the road without engaging CEC. Your Committee therefore, observes with concern that this omission would have resulted in litigation and the loss of lives. It is therefore, in this regard that your Committee urges the Controlling Officer to sternly caution management for this lapse and avoid the recurrence of the query. Your Committee resolves to close the matter subject to audit verification.

c. Physical Inspection – Visual Inspection

i. Ndola Girls Technical Road

Your Committee was informed that RDA and CEC had agreed on safety measures to protect the pylons and motorists such as:

- Guard rails
- Traffic calming (Speed humps)
- Enhanced signage
- Concrete barriers

These measures were implemented to improve safety for motorists and as such, cannot be considered to be wasteful expenditure. If anything, re-aligning the road would have been more costly. RDA shall continue to review these measures from time to time.

Committee's Observations and Recommendations

Your Committee observes that there is no due diligence by RDA before implementing road projects. Your Committee finds it unacceptable that RDA went ahead to construct the road without engaging CEC. Your Committee therefore, observes with concern that the omission would have resulted in litigation and the loss of lives. It is therefore, in this regard that your Committee urges the Controlling Officer to sternly caution management for the lapse and avoid the recurrence of the query. Your Committee however, resolves to close the matter but requests the Office of the Auditor General to keep the matter in view in future audits.

ii. Ndola Kitwe Carriageway

The Controlling Officer submitted that the RDA had observed defects on this road and that was why the Contractor was instructed to redo surfacing work on selected sections of the road. The Contractor had since attended to most of the defects on the road and would complete the remaining remedial works months after outstanding IPCs were paid.

Committee's Observations and Recommendations

Your Committee notes the response but urges the Controlling Officer to ensure that the highlighted defects are remedied immediately the Contractor remobilises. Your Committee will await a progress report on the matter.

29. Upgrading and Rehabilitation of Approximately 27.32 km of Urban Roads in Ndola

a. Irregular Variation

The Controlling Officer informed your Committee that RDA obtained the approvals necessary to exceed the contract price.

Further, the Controlling Officer informed your Committee that funding for the variations was included as part of the budgeted figures for 2014 and 2015 in the Road Sector Annual Work Plan (RSAWP). Further, since road projects were normally carried out for more than one year, the budget provision in the RSAWP were allocated based on the estimate of works to be completed in a particular year. This is repeated in the following years until works were completed.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

b. Physical Inspection of Ndola Urban Roads

i. Inadequate Designs/Quantities

The Controlling Officer informed your Committee that the contractor had been instructed to do the installation of the access culvert. However, installation of culverts has been hampered by the lack of payment to the Contractor.

Committee's Observations and Recommendations

Your Committee will await an update on the installation of the access culverts immediately the Contractor remobilises.

- The Controlling Officer informed your Committee that the design of the Chipulukusu Road at the Rail Crossing was deemed to be adequate hence the use of asphalt.

Committee's Observations and Recommendations

Your Committee directs that the defects be addressed without further delay and will await a progress report on the matter.

- The Controlling Officer informed your Committee that the defects on the road have been noted and the contractor has been instructed to make good of the works. The contractor was expected to repair these defects once outstanding payments were made.

Committee's Observations and Recommendations

Your Committee notes the response but urges the Controlling Officer to ensure that the highlighted defects are corrected immediately the Contractor remobilises. Your Committee will await a progress report on the matter.

- The Controlling Officer informed your Committee that the design was deemed to be adequate by RDA.

Committee's Observations and Recommendations

Your Committee urges the Controlling Officer to take into account the issues raised by the auditors in future works. Your Committee resolves to close the matter subject to audit verification.

ii. Unlined Drainage

The Controlling Officer submitted that the lining of drainages was usually done where erosion of the drains was expected and that in circumstances where erosion was not expected, unlined drains would be acceptable.

However, at the time of the audit, the Sub-contractor was just starting with stone pitching on Chipulukusu road and the Sub-contractor had stone pitched a stretch of about 2.8km both sides. The remaining stone pitching works were also on the snag list and could be carried out by the contractor in the Defects Liability Period.

There were a number of factors that were considered to determine whether a drain should be lined or not. They included, cost, terrain and soil type, among others.

Committee's Observations and Recommendations

Your Committee notes the response and resolves to close the matter subject to audit verification.

iii. Potholes on New Road – Lubuto Twapia Road

The Controlling Officer explained that the pothole on the road was as a result of a pipe leakage and the repair works on the pothole were awaiting the repair of the pipe leakage by Kafubu Water and Sewerage Company. The Controlling Officer informed your Committee that the pipe leakage had been repaired but the pothole, including other defects, were yet to be rectified because of cash flow constraints as a result of prolonged non-payment to the Contractor.

Committee's Observations and Recommendations

Your Committee notes the response but urges the Controlling Officer to ensure that the highlighted defects are remedied immediately the Contractor remobilises. Your Committee will await a progress report on the matter.

iv. Encroachments on Chipulukusu Road

The Controlling Officer submitted that the minimum width stated above does not apply in this case. He explained that this was in accordance with Section 21 (3) of *the Public Roads Act No 12 of 2002* which states that, "The width prescribed in subsection (2) shall not apply to any main, district, branch, urban or other road within any local authority area". This road is within the Ndola City Council area.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

v. Other Roads - Trial pits

The Controlling Officer informed your Committee that the tolerance for thicknesses of pavements should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub-bases in accordance with clause 3405 (b) of the SATCC.

Therefore, from the results obtained, all the measurements taken on all the roads except two of the three measurements on Chibuku road were below the acceptable tolerances.

However, the results on this road were inconclusive since the sample size fell below the required 30 thickness measurements that were to be used to determine whether the road base thickness complied with the specification in accordance with clause 7205 (b) of the SATCC specifications.

Committee's Observations and Recommendations

Your Committee further finds the reluctance by RDA to accept the findings by the auditors unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your

Committee urges the Controlling Officers to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee will await a progress report on the matter.

CENTRAL PROVINCE

30. Periodic Maintenance of 30 km of the Kabwe – Chibombo Road (T2)

a. Delayed Provision of Detailed Engineering Drawings

Your Committee was informed that RDA prepared the initial Bill of Quantities with some sections earmarked for reconstruction, overlaying and expansion of the road to four lanes in Kabwe. The Consultant was procured to determine the adequacy of the proposed interventions indicated in the contract document and make recommendations for implementation in the design review. The Contractor was expected to implement other works stipulated in the Contract in the two months that no drawings were available for the reconstruction section.

It must be noted that when the Contractor made comments on the Drawings in his letter dated 25th June 2015, the Consultant in the letter dated 1st July 2015 clarified under which Bill Items in the Signed Contract the reconstructed, pavement sections and the temporary works would be paid.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

b. Increase in Contract Sum due to Delayed Payments for Certified Claims

Your Committee was informed that the RDA certified the works and submitted the Payment Certificates to the NRFA for Payment.

The RDA has no control on the timing of the payment to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan for outstanding payments, as a matter of extreme urgency. This should clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs that in future, RDA should strictly follow its

approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

31. Construction of a Fixed Electronic Weighbridge in Mumbwa District of Central Province

a. Delayed Completion

Your Committee was informed that the quality of works was satisfactory, although the current delay in completing the works was attributed to delayed payments and not poor performance. The Contractor was expected to accelerate the works once the frequency of payments of interim payment certificates improves.

Committee's Observations and Recommendations

- b. Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan for outstanding payments, as a matter of extreme urgency. This should clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs that in future, RDA should strictly follow its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

c. Failure to Pay the Contractor on Time

Your Committee was informed that RDA certified the works/services done as mandated by the *Public Roads Act No 12 of 2002* and submitted Payment Certificates/Invoices to NRFA for Payment.

The RDA had no control on the timing of the payment to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan for outstanding payments, as a matter of extreme urgency. This should clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs that in future, RDA should strictly follow its

approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

32. Landless Corner - Mumbwa (M020) Road (Lot 1 - 65 km)

a. Engagement of Contractor with Inadequate Experience

Your Committee was informed that the Contractor was awarded the contract based on the overall results of the bid evaluation. As such, the award was in accordance with the award criteria contained in the Bidding Document.

Committee's Observations and Recommendations

Your Committee finds the awarding of the contract to an inadequately experienced contractor with limited road construction experience highly irregular. Your Committee contends that the numerous poor quality works highlighted on the road so far, validates the Contractor's inexperience. Your Committee therefore, strongly urges the Controlling Officer to ensure that the contract is terminated without further delay. Your Committee further urges the Controlling Officer to ensure that the Contractor in future contracts should only be considered as a subcontractor until he gains the much needed experience to enable him carry out Government road projects.

Your Committee also urges the Controlling Officer to ensure that the bidding evaluation guidelines at RDA are strengthened in order to avert the recurrence of this irregularity. Your Committee will await a progress report on the matter.

b. Inadequate Capacity in Sub-contractors

The Controlling Officer informed your Committee that Mandatory Subcontracting aims at building the capacity of local contractors. It is therefore expected that most of the subcontractors nominated will initially have little or no capacity. However, it is expected that their capacities will be built by learning from the main contractors who are expected to play a leading role. All works carried out by the subcontractors remain the responsibility of the main contractor. Further, the subcontracted works are mainly works that are labour intensive and may not require equipment. In addition, sub-contractors are deployed at different stages of the works contract.

RDA would continuously review the modalities for subcontracting in order to improve the implementation of the 20 % Subcontracting Policy.

However, the RDA Management acknowledged that there were challenges with the technical and financial capacity of subcontractors. In order to address the challenges, the RDA and NRFA introduced the Construction Finance Initiative, CFI. The CFI was introduced for the following reasons:

- to explore alternative avenues for acquisition of plant and equipment by local contractors from suppliers through a special facility promoted by RDA/NRFA in collaboration with Banks and Equipment Suppliers;

- to spearhead and strengthen the bargaining power of contractors in lower grades in their acquisition of Advance Payment Guarantees, Performance Guarantees/Bonds, Bid Bond and Construction Equipment; and
- inclusion of Project Management and Fund Management Oversight to aid local contractors.

The RDA and NRFA had since signed memoranda of understanding with financial institutions and equipment suppliers.

Further, revised Subcontracting Guidelines had been developed which provided for the employment of a Subcontract Manager whose role is to assist the subcontractor with Project Management as a capacity building measure. The Guidelines had also outlined specific penalties to be applied in the event of Subcontractors “selling” their subcontracts.

Committee’s Observations and Recommendations

Your Committee notes the progressive actions taken to avert the challenges associated with the inadequate capacity of subcontractors especially on the lack of equipment. Your Committee therefore, urges the Controlling Officer to ensure that the developed guidelines are implemented to the latter. Your Committee will await a progress report on the matter.

c. Delayed Works

Your Committee was informed that the RDA declined to extend the contract beyond February 2015 due to unsatisfactory progress of the contractor and this meant that liquidated damages were to be applied for late completion. However, during the period that liquidated damages were to be applied, the Contractor elected to provide more resources which enabled him to carry out and substantially complete works within the first 30 km but unfortunately the contract was terminated because the maximum limit of liquidated damages, which is 10% of the contract, had been reached.

Because of the resource mobilisation and the satisfactory completion of the works within the first 30 km and owing to the fact that some payments to the contractor had been delayed, the contractor appealed to RDA to consider allowing them to complete the remaining works. The RDA then decided to seek authority from ZPPA to single source the contractor to complete the works. The ZPPA granted authority and the RDA has re-engaged the contractor to complete the remaining works.

Committee’s Observations and Recommendations

Notwithstanding the fact that ZPPA approved the re-engagement of the Contractor, your Committee reiterates its recommendation that the contract be terminated without further delay as the contractor has no capacity to execute the works thoroughly. Your Committee awaits a progress report on the matter.

d. Inadequate Equipment and Frequent Breakdowns

Your Committee was informed that RDA and the Consultant repeatedly reminded the Contractor of their failure to mobilise adequate equipment. This also resulted in the RDA electing to extend the completion date. The Contractor however, eventually provided adequate equipment in good condition which enabled him to successfully complete the first 30km from Landless Corner.

Committee's Observations and Recommendations

Your Committee reiterates its earlier position that the contractor has no capacity to handle this project and therefore, recommends that the contract be terminated forthwith. Your Committee will await a progress report on the matter.

e. Poor Contract Management

Your Committee was informed that the RDA declined to extend the contract beyond February 2015 due to unsatisfactory progress of the contractor and this meant that liquidated damages were to be applied for late completion. However, during the period that liquidated damages were to be applied the contractor elected to provide more resources which enabled him to carry out and substantially complete works within the first 30 km but unfortunately, the contract was terminated because the maximum limit of liquidated damages, which is 10% of the contract, had been reached.

Because of the resource mobilisation and the satisfactory completion of the works within the first 30 km and owing to the fact that some payments to the contractor had been delayed, the contractor appealed to RDA to consider allowing them to complete the remaining works. The RDA then decided to seek authority from ZPPA to single source the contractor to complete the works. The ZPPA granted authority and the RDA has re-engaged the contractor to complete the remaining works.

By virtue of the Liquidated Damages Clause, the Contractor was well aware of the consequences of his application for Extension of Time not being granted by the RDA.

Committee's Observations and Recommendations

Your Committee observes that the contractor has no capacity to handle this project and therefore urges the Controlling Officer to ensure that the contract is terminated forthwith. Your Committee further urges the Controlling Officer to ensure that the *ZPPA Act No 15 of 2008* is revised as soon as possible in order to limit the discretionary powers that ZPPA has on the procurement of road projects. Your Committee will await a progress report on the matter.

f. Failure to Pay Contractor on Time

Your Committee was informed that RDA had no control on the timing of the payment to Contractors. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for this project is provided timely to avoid interest.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan for outstanding payments, as a matter of extreme urgency. This should clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs that in future, RDA should strictly follow its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

g. Physical Inspection

i. Surface Irregularity - Visual Inspection/ 3m Straight Edge

Your Committee was informed that the Defects on this project had been noted and the Contractor had undertaken to repair the defects.

Further, the Contractor and Consultant shall be rated in accordance with the RDA's Vendor Rating System and their performance shall affect their prospect for future Contracts with RDA.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

ii. Bleeding on Surface Dressing - Visual inspection of the Surface Dressing for any obvious defects

Your Committee was informed that defects on this project had been noted and the Contractor had undertaken to repair the defects.

Further, the Contractor and Consultant shall be rated in accordance with the RDA's Vendor Rating System and their performance shall affect their prospect for future Contracts with RDA.

Committee's Observations and Recommendations

Your Committee notes the response and resolves to close the matter subject to audit verification.

33. Consultation Services for the Techno-Economic Study, Detailed Engineering Design and Tender Document Preparation for the Upgrading of 110 km of the Mumbwa to Itzhi Tezhi Road

a. Commencing Consultancy Work without a Signed Contract

Your Committee was informed that a letter of Bid Acceptance was issued to the Consultant on 7th May 2014. This was in line with Section 54(1)(b) of *the Public Procurement Act No. 12 of 2008*. The Consultant was undertaking a supervisory role on the project pending the finalisation of the consultancy contract as the Contractor was already on site.

Committee's Observations and Recommendations

Your Committee expresses concern at the increasing number consultants that are being engaged without signing contracts, therefore, raising doubts on the capacity of such contractors to deliver quality works. Your Committee urges the Controlling Officer to sternly caution management to desist from this unacceptable practice. Your Committee further urges the Controlling Officer to ensure that RDA is closely supervised in order to ensure that consultants are only engaged after the signing the contracts to avert the recurrence of this irregularity. Your Committee requests the Office of the Auditor General to verify the matter after which it should be closed.

b. Communicating Bid Acceptance before Approval of Contract Award

Committee's Observations and Recommendations

Your Committee finds the action to communicate the bid acceptance to the contractor before the approval of the contract not only unacceptable but also unethical. In this regard your Committee urges the Controlling Officer to ensure that the erring officers are disciplined for this lapse. Your Committee further urges the Controlling Officer to ensure that official communication on a bid acceptance is only given to contractors after approval as a change in the approval stage may result in unnecessary litigations. Your Committee resolves to close the matter but urges the Controlling Officer to keep the matter in view in future audits.

34. Upgrading of Road D769 from Mumbwa/Itezhi Tezhi Junction on M009 to Itezhi Tezhi (109 km) including the 2.2 km of the Inkonkaile to Itezhi Tezhi Boma Access Road in Central Province

a. Unauthorised Works

Your Committee was informed that RDA requested the Contractor to provide a quotation for gravelling the road during the kick off meeting through the Regional Manager. The Contractor went on to grade the road and claimed for the cost after the works had been done. The Procurement Committee rejected this Variation Order and therefore no payment had been made. RDA will ensure that all instructions to the Contractor for specific works are approved and are in writing.

Committee's Observations and Recommendations

Your Committee notes the action taken and wishes to close the matter subject to audit verification. However, your Committee urges the Controlling Officer to ensure that instructions are very specific and should be in writing to avoid possible litigation.

b. Failure to Pay Contractor on Time

Your Committee was informed that RDA certified the works/services done as mandated by the *Public Roads Act No 12 of 2002* and submitted Payment Certificates/Invoices to NRFA for Payment.

Further, RDA had no control on the timing of the payments to contractors. However, the Ministry of Housing and infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for this project is provided timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan for outstanding payments, as a matter of extreme urgency. This should clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs that in future, RDA should strictly follow its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

c. Physical Inspection - Surface Irregularity/Visual inspection

Your Committee was informed that the works were still ongoing and the RDA would ensure that any noted defects shall be repaired before the road is completed and handed over. Variation Order No. 2 had been approved to cater for the demolition and compensation of affected houses erected in the road alignment.

Committee's Observations and Recommendations

Your Committee notes the response and resolves to await a progress report on the matter.

35. Rehabilitation/Upgrading of Approximately 34.47 km of Urban Roads in Kabwe and Kapiri Mposhi Towns in Central Province

a. Irregular Variations

Your Committee was informed that the Conditions of Contract provided for variations where necessary. The variations were justified and went through various stages of adjudication and necessary approvals were obtained.

Committee's Observations and Recommendations

Your Committee strongly recommends, as a matter of extreme urgency, that the ZPPA Act should be amended to include a capping threshold of 25% on variations in order to bring a stop to this abuse of variations by RDA. Your Committee resolves to await a progress report on the matter.

b. Failure to Pay Contractor on Time

Your Committee was informed that RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002 and submitted Payment Certificates/Invoices to NRFA for Payment.

He submitted that RDA had no control on the timing of the payments to contractors. He, however, assured your Committee that the Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that funding for this project was provided.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan for outstanding payments, as a matter of extreme urgency. This should clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs that in future, RDA should strictly follow its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

c. Physical Inspection

i. President Road-Kabwe

The Controlling Officer submitted that the basis for the adoption of the cement stabilisation was in line with the design for the road. He explained that this was adequate for the attainment of the desired unconfined compressive strength (UCS) values.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification

- ii. **Makululu Road-Kabwe**
At Km 0+400 LHS, the drilled core crumbled.
- iii. **Luangwa Road-Kabwe**
At Km 0+100 LHS, the drilled core crumbled.
- iv. **Uganda Road-Kabwe**
At Km 1+050 RHS, the drilled core crumbled.
- v. **Chilubi Island Road - Kabwe**
 - At Km 0+150 LHS, the drilled core crumbled.
 - The dips along the main road were poorly designed as they were too deep and the motorists were having problems driving through.
- vi. **Munkoyo Road - Kabwe**
 - At Km 0+700 LHS, the crushed stone base thickness was measured as 140 mm, and
 - At Km 1+700 RHS, crushed stone base thickness was measured as 130 mm.
- vii. **Buntungwa Road - Kabwe**
 - At Km 0+700 LHS, the crushed stone base thickness was measured as 110mm
 - At Km 1+700 RHS, crushed stone base thickness was measured as 130mm.
- viii. **Kapiri Main/ Independence Road – Kapiri Mphoshi**
At Km 0+300 LHS, the drilled core crumbled.
- ix. **Tazara road – Kapiri Mphoshi**
At Km 0+300 LHS, asphalt core retrieved measured 50mm and the crushed stone base measured 125mm against required 150mm.

The Controlling Officer submitted that the tolerance for thicknesses of pavements should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub bases in accordance with clause 3405 (b) of the SATCC.

He informed your Committee that according to clause 7205 (b) of the SATCC specifications, at least 30, but preferably more, layer thicknesses shall be determined in accordance with a stratified random pattern for each lot of completed layer work. Layer thicknesses may be determined by means of level measurements taken before and after construction of the layer in exactly the same position, but may be augmented by thicknesses measurements taken by means of holes made in the layer. It states that the lot will be considered to comply with the requirements for layer thicknesses if of these 30 –

- (i) At least 90% of all the thickness measurements taken before any thickness repairs are made are equal to or greater than the specified thickness, minus the D_{90} tolerance specified in the appropriate section; and
- (ii) The mean layer thickness of the lot is not less than the specified thickness, minus the D_{mean} tolerance. Isolated spots where the actual thickness is less than the specified thickness less the D_{max} tolerance shall be repaired so as to fall within the D_{90} tolerance.

The tolerances being

	D_{90}	D_{max}	$D_{average}$
Selected layer.....	30 mm	40 mm	10 mm
Subbase.....	21 mm	27 mm	5 mm
Base.....	21 mm	27 mm	5 mm
Wearing course.....	-	30 mm	0 mm

Shoulders..... - 30 mm 0 mm

However the sample size fell below the 30 number samples required per lot for a conclusive analysis but the RDA and the auditors had agreed to carry out only ten measurements due to the destructive nature of the test.

Further for Chilubi Island Road, the poorly constructed dips would be rectified by the Contractor as the works on the contract were still ongoing.

Committee's Observations and Recommendations

Your Committee expresses concern with the poor quality of works done despite the huge amounts of public funds spent on these projects. It is evident that the life span of the roads was highly compromised, resulting in value for money not being achieved. Your Committee further finds the reluctance by RDA to accept the findings by the auditors owing to the methodology used to assess the adherence to specification on the thickness unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officer to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee will await a progress report on the matter.

36. Maintenance of 65.5 km to Kapiri Mposhi (T002) in Central Province

a. Late Engagement of the Supervising Consultant

The supervising consultant was engaged on 6th June 2013 while the works contract commenced on 8th April 2013 resulting in a delay of two (2) months.

Your Committee was informed that during the absence of the Supervising Consultant, the Regional Manager for Central Province supervised the works.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor, was only engaged two months after the commencement of works. Your Committee observes that this conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Your Committee further observes that this action has the potential to compromise the adherence to specifications by the contractor as promulgated in the contract. In addition, your Committee is dismayed with the justification by the Controlling Officer that the Regional Manager was able to supervise the works during this period. However, it is the strong view of your Committee that the Regional manager has no requisite equipment for assessing the adherence to specifications. In view of the foregoing, your Committee strongly recommends that the

Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without further delay. Your Committee also urges the Secretary to the Treasury to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee sternly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee resolves to await a progress report on the current status of the road works. However, an assessment by the consultant to verify that the contractor adhered to the specifications as outlined in the contract, should be undertaken before the commencement of other works.

b. Lack of Detailed Engineering Drawings

Your Committee was informed that for normal Periodic Maintenance contracts, there was no need for a detailed design as the works are carried out on the existing road alignment without alteration to the pavement structure. The works comprised interventions such as pothole patching, resealing, crack repair, etc.

However, there were few sections of the road that required reconstruction and it was envisaged that the design for these sections would be given to the contractor whilst he carried out other works.

Committee's Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee resolves to close the matter and requests the Office of the Auditor General to keep the matter in view in future audits.

c. Delayed Settlement of Interim Payment Certificates

Your Committee was informed that RDA certified the works done as mandated by *the Public Roads Act No. 12 of 2002* and submitted Payment Certificates to NRFA for Payment.

RDA had no control on the timing of the payments to contractors. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects is provided timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the

outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan for outstanding payments, as a matter of extreme urgency. This should clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs that in future, RDA should strictly follow its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

MUCHINGA PROVINCE

37. Upgrading of Isoka – Muyombe- Chama- Lundazi Road to Bituminous Standard in Eastern Province of Zambia Lot 4 (Muyombe Road Junction) to Lundazi (Km40+000 on D103) to (84 km)

a. Award of Contract to Company which Failed to Comply with Instructions to Bidders

The Controlling Officer informed your Committee that the bidder could not be disqualified on the basis of information that could be clarified as per provision of the Public Procurement Regulation under clause 68 (1) which allows for clarifications.

The RDA had always endeavoured to address issues raised in the Evaluation Report during pre-contract negotiations.

On the issue of the line of credit, it should be noted that the solicitation document only required that bidders demonstrate that they have access to a line of credit without providing a standard format.

Committee's Observations and Recommendations

Your Committee is of the view that RDA is abusing *Clause 68 (1) of the Public Procurement Act No. 15 of 2008*. Your Committee observes that the purported numerous clarifications validate that the contractor neglected the guidelines and therefore, confirming that the awarding of the contract was highly irregular. Your Committee, therefore, urges the Controlling Officer to ensure that RDA does not entertain contractors who do not comply with bidding guidelines. Your Committee however, resolves to close the matter but requests the Office of the Auditor General to note the matter in future audits.

b. Engagement of Contractor before Engagement of Consultant

Your Committee was informed that the works contract commenced in February 2016. During the absence of the supervision consultant who was engaged in March 2016, the RDA Regional Manager managed the contract during the mobilisation period which was being undertaken during the rainy season.

Committee's Observations and Recommendations

Your Committee observes that the late engagement of consultants compromises the adherence to specifications by the contractor. Therefore, the practice should not be entertained. Your Committee further observes that this omission has further exacerbated the numerous variations and poor quality of work in road projects. It is in this regard that your Committee strongly urges the Controlling Officer to ensure that consultants are engaged at all times before tendering of works in order to guarantee that the quality of works are commensurate with the funds paid to the contractors by the Government. Your Committee resolves to close the matter but requests the Office of the Auditor General to note it in future audits.

c. Failure to Provide Approved Detailed Designs to Contractor at Commencement

The Controlling Officer informed your Committee that a detailed designs were conducted in 2010 by Eastconsult for Lot 4 but due to the lengthy period between the Design and award of works contracts, most bench marks were found to have been vandalized. So the Contractor was only given preliminary designs to enable them commence works such as bush clearing and was made to start setting up camp and carry out material investigations before the Design Review Consultant was engaged.

The Design Review and Supervision Consultant has been carrying out the design review in sections but the review has been affected by poor cash flows.

Committee's Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to note the matter in future audits.

38. Upgrading of Isoka – Muyombe – Chama - Lundazi Road to Bituminous Standard in Eastern Province of Zambia Lot 5 (Muyombe Road Junction) to Lundazi (Km40+000 on D103) to (84Km)

a. Engagement of Contractor before Engagement of Consultant

The Controlling Officer informed your Committee that the works commenced in January 2016. During the absence of the supervising consultant who was engaged in March

2016, the RDA Regional Manager managed the contract during the mobilisation period which was being undertaken during the rainy season.

Committee's Observations and Recommendations

Your Committee observes that the late engagement of consultants compromises the adherence to specifications by the contractor. Therefore, the practice should not be entertained. Your Committee further observes that this omission has further exacerbated the numerous variations and poor quality of work in road projects. It is in this regard that your Committee strongly urges the Controlling Officer to ensure that consultants are engaged at all times before tendering of works in order to guarantee that the quality of works are commensurate with the funds paid to the contractors by the Government. Your Committee resolves to close the matter but requests the Office of the Auditor General to note it in future audits.

b. Unjustified Direct Bidding (Single Sourcing)

The Controlling Office informed your Committee that the justification for direct bidding was provided in accordance with Clause 32 (1) of the Public Procurement Act of 2008 and a 'no-objection' was granted by ZPPA.

Further, he stated that RDA obtained the 'No-objection'.

Committee's Observations and Recommendations

Your Committee observes with concern that not only is the single sourcing of projects at variance with *Section 7 (3) of the Public Finance Act No.15 of 2004*, but it also limits competitiveness in the total contract sum. Your Committee therefore, urges the Controlling Officer to ensure that the issue of single sourcing is stopped forthwith in order to allow for open bidding which encourages transparency, accountability and competitiveness in the awarding of road contracts. Your Committee resolves to close the matter but requests the Office of the Auditor General to take note of it in future audits.

c. Award of Contract to a Company which Failed to Comply with Instructions to Bidders

The Controlling Officer informed your Committee that the evaluation committee corrected the Contractor's rates to the predetermined rates which were subsequently used in the contract.

Further, he stated that the bidder submitted only one project with a value of at least 75% of the bid sum. However, it being single sourced, this criteria was regarded as a minor deviation and as such, the bidder was substantially responsive to the technical requirements in the solicitation document.

Committee's Observations and Recommendations

Your Committee finds the discretionary powers given to ZPPA subject to abuse. It is in this regard that your Committee strongly urges the Controlling Officer to ensure that that

the *ZPPA Act No 15 of 2008* is expeditiously reviewed in order to regulate such lapses. Your Committee will await a progress report on the matter.

d. Delayed Advance Payment and Failure to Settle IPC

The Controlling Officer informed your Committee that RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002 and submitted Payment Certificates/Invoices to NRFA for Payment.

Further, he stated that RDA had no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available in order to avoid interest payments.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of projects has immensely contributed to delay in paying contractors. Your Committee observes with concern that, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. It is in this regard that your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until the outstanding contracts are completed. Your Committee further urges the Controlling Officer to ensure that RDA develops a well structured annual procurement plan to clearly show how the dismantling of arrears will be achieved in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest and penalty charges incidental to the contract. Your Committee urges the Controlling Officer to pursue this matter to its logical conclusion and will await a progress report on the matter.

39. Construction of the Matumbo and Kampemba Bridges across Luangwa and Kampemba Rivers in Chama District of Muchinga Province - Delayed Commencement of Project

Your Committee was informed that there was no delay in commencement because the contract commenced on Monday 2nd March 2015, which was the date stated in the commencement order.

However, the Contractor's mobilisation and works were affected by the delayed payment of the advance payment which was supposed to be paid 30 days after the Contractor's application in accordance with Clause 51.1 of the Special Conditions of Contract. The Controlling Officer further informed your Committee that the Contractor had been compensated with an extension of time without cost for this delay.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of projects has immensely contributed to delay in paying contractors. Your Committee observes with concern that, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. It is in this regard that your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until the outstanding contracts are completed. Your Committee further urges the Controlling Officer to ensure that RDA

develops a well structured annual procurement plan to clearly show how the dismantling of arrears will be achieved in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest and penalty charges incidental to the contract. Your Committee urges the Controlling Officer to pursue this matter to its logical conclusion and will await a progress report on the matter.

40. Periodic Maintenance of the (T002) Great North Road from Chinsali to Nakonde Road (213 km)

a. Failure to Pay Contractor on Time

Your Committee was informed that RDA certified the works/services done as mandated by *the Public Roads Act No 12 of 2002* and submitted Payment Certificates/Invoices to NRFA for Payment.

The Controlling Officer further stated that RDA had no control on the timing of the payment to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available in order to avoid interest payments.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of projects has immensely contributed to delay in paying contractors. Your Committee observes with concern that, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. It is in this regard that your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until the outstanding contracts are completed. Your Committee further urges the Controlling Officer to ensure that RDA develops a well structured annual procurement plan to clearly show how the dismantling of arrears will be achieved in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest and penalty charges incidental to the contract. Your Committee urges the Controlling Officer to pursue this matter to its logical conclusion and will await a progress report on the matter.

b. Lack of Detailed Engineering Drawings

The Controlling Officer informed your Committee that works were emergency in nature and the intervention holding maintenance and standard drawings for culverts were issued to the contractor as the works progressed.

Committee's Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and

technical drawings are put in place. Your Committee requests the Office of the Auditor General to take note of the matter in future audits.

c. Change of Key Personnel without RDA Approval

The Controlling Officer informed your Committee that the RDA representative on site requested the contractor for CV's of the key personnel that had been replaced so as to ascertain their suitability in accordance with Clause 9. However, the contractor did not provide the CV's. One of the remedies to this situation was to order a delay until this matter was resolved. However, the works were of emergency nature and it was hoped that the matter could be resolved while works were on going. However, works were carried out successfully within specifications.

Committee's Observations and Recommendations

Your Committee finds the justification by the Controlling Officer regarding the replacement of key personnel by the contractor without RDA approval misplaced. This explains why the quality of works is generally poor due to the weak monitoring by RDA. Your Committee therefore, directs the Controlling Officer to ensure that the contractor submits the full list of the replaced key personnel for approval without any further delay. In addition, your Committee urges the Controlling Officer to ensure that all contractors who change personnel without seeking prior approval from RDA are dealt with appropriately. Your Committee resolves to await an update on the matter.

41. Isoka – Muyombe – Chama – Lundazi Road (Lot 1)

a. Lack of Detailed Engineering Drawings

Your Committee was informed that detailed designs were prepared in 2010 by Eastconsult for this road and were provided to the contractor. However, the increase in the cost was attributed to factors such as additional works and changes in scope.

Committee's Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to take note of the matter in future audits.

b. Delayed Completion of Works

The Controlling Officer informed your Committee that there were various reasons that had led to the contract being extended beyond the initial completion date, among them, were the following:

- additional works on the Itontela-Muyombe road;
- change of scope of works;
- failure by the contractor to perform, which led to 25 kilometres being sub-contracted to another contractor namely China Civil Engineering Construction Corporation Limited; and
- prolonged or delayed payments.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of projects has immensely contributed to delay in paying contractors. Your Committee observes with concern that the lack of co-ordination between RDA and NRFA has equally contributed to this vice. It is in this regard that your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until the outstanding contracts are completed. Your Committee further urges the Controlling Officer to ensure that RDA develops a well structured annual procurement plan to clearly show how the dismantling of arrears will be achieved in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest and penalty charges incidental to the contract. Your Committee urges the Controlling Officer to pursue this matter to its logical conclusion and will await a progress report on the matter.

c. Failure to Pay Contractor on Time

The Controlling Officer informed your Committee that RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002 and submitted the Payment Certificates/Invoices to NRFA for Payment.

Your Committee was further informed that RDA had no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available in order to avoid interest payments.

Committee's Observations and Recommendations

Your Committee reiterates that the payment of huge sums as interest on late payment of claims will continue as long as the coordination and cooperation between RDA and NRFA remain poor. Your Committee in this regard, implores the Controlling Officer to ensure that road contracts at RDA are only signed after confirmation of the availability of funds by the Treasury through NRFA in order to avert such lapses. Your Committee further urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Furthermore, the Secretary to the Treasury is strongly being urged to intervene in this matter without further delay in order to avoid the further loss of huge sums of money on delayed payment of certified claims. Your Committee resolves to await a progress report on the matter and requests the Office of the Auditor General to take note of the matter in future audits.

d. Physical Inspection

Your Committee was informed that only two measurements at Km 2+500 100 mm, and Km 38+500 100 mm, were outside tolerance.

Further, the tolerance for thicknesses should be plus or minus 27mm for the base or sub base and plus or minus 30mm for the shoulders in accordance with clause 3405 (b) of the SATCC.

According to best practice, the minimum acceptable sample size required to obtain a conclusive analysis of results per Lot is 30 in line with clause 7205 (b) of the SATCC specifications. It was deemed to be undesirable to undertake the minimum 30 because of the destructive nature of the test. The fact that cores were extracted, though crumbled in certain cases, is evidence to show cement stabilisation was done. However, to determine the quantity of cement added to a pavement layer during stabilisation requires the cement content test in line with SATCC Clause 7109 (Tests relating to chemical stabilisation). Based on the tests that were done, it would be difficult to establish whether there was adequate or inadequate cement in the base material.

Layer thicknesses may be determined by means of level measurements taken before and after construction of the layer in exactly the same position, but may be augmented by thicknesses measurements taken by means of holes made in the layer. It states that the lot will be considered to comply with the requirements for layer thicknesses if of these 30:-

- (i) at least 90% of all the thickness measurements taken before any thickness repairs are made are equal to or greater than the specified thickness, minus the D90 tolerance specified in the appropriate section and;
- (ii) the mean layer thickness of the lot is not less than the specified thickness, minus the Dmean tolerance. Isolated spots where the actual thickness is less than the specified thickness less the Dmax tolerance shall be repaired so as to fall within the D90 tolerance.

The tolerances being

D90	Dmax	Daverage	
Selected layer...	30 mm	40 mm	10 mm
Subbase.....	21 mm	27 mm	5 mm
Base.....	21 mm	27 mm	5 mm
Wearing course....	30 mm	. 0 mm	
Shoulders.....	30 mm	.. 0 mm	

The sample size fell below the 30 thickness samples required per lot for a conclusive analysis but it was noted that RDA agreed with the Auditors to carryout up to ten measurements per project. This was to minimise the destruction to the roads since these thickness measurements are destructive. Further, RDA, together with Bari Zambia and China Jiangxi, conducted a re-test on the affected sections. The test results revealed that the thicknesses were within acceptable tolerances.

The test results were available for scrutiny.

Committee's Observations and Recommendations

Your Committee expresses concern with the poor quality of works done despite the huge amounts of public funds spent on these projects. It is evident that the life span of the roads is highly compromised, resulting in value for money not being achieved. Your Committee further finds the reluctance by RDA to accept the findings by the auditors owing to the methodology used to assess the adherence to specification on the thickness, unacceptable, as the methodology used was agreed upon by both parties during the audit process. Your Committee, therefore, directs the Controlling Officer to ensure that the identified defects are corrected without further delay. Going forward, your Committee urges the Controlling Officer to ensure that RDA closely supervises the consultants and further that monthly reports on works done by the contractors should be submitted to avoid the recurrence of the anomaly. Your Committee will await a progress report on the matter.

42. Mbala – Nakonde Road

a. Increased Cost of Supervision Services on Road Construction due to Change in Road Designs and Increase in Scope of Works

Your Committee was informed that the consultancy contract was a time based contract. Therefore, since the work contract was extended due to variations there was need to also extend the supervision contract hence the increase in cost.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification

b. Change of Key Personnel without RDA Approval

Your Committee was informed that the personnel's capabilities were assessed by the consultant. Documentation to this effect was submitted.

Committee's Observations and Recommendations

Your Committee finds the justification by the Controlling Officer regarding the replacement of key personnel by the contractor without RDA approval, misplaced. This explains why the quality of works is generally poor due to the weak monitoring by RDA. Your Committee directs that the Controlling Officer should ensure that the contractor submits the full list of replaced key personnel for approval without any further delay. In addition, your Committee urges the Controlling Officer to ensure that all contractors who change personnel without seeking prior approval from RDA, are dealt with appropriately. Your Committee resolves to await an update on the matter.

c. Physical Inspection

The Controlling Officer informed your Committee that the industrial practice in accepting retro reflectivity of road signs in Zambia had mainly been based on engineering

judgment. The use of the 922 field retro reflectometer by the Auditors was therefore, new practice in Zambia but the RDA will pursue the utilization of this equipment to test retro-reflectivity of Road Signs.

However, it was stated that according to SABS 1519, which was specified by SATCC, the reflectivity differed depending on the colour of the material used. SABS 1519 and the contract document specified that the measurement would be taken from an observation angle of 0.3 degrees and an entrance angle of 5 degrees. However, the equipment used for this test only allowed observation angles of 0.2 and 0.5 degrees instead of the 0.3 degrees specified in SABS 1519 and the contract.

Committee's Observations and Recommendations

Your Committee expresses concern with the varying positions regarding the matter which ordinarily should have been resolved during the audit process. Your Committee directs that the Controlling Officer should recommend the equipment to be used on the Retro Reflectivity test to be re-done in order to resolve the matter. Your Committee resolves to await a progress report on the matter.

43. Periodic Maintenance of 131 km of the Mpika to Chambeshi Bridge – Lot 1

a. Lack of Detailed Engineering Drawings

The Controlling Officer informed your Committee that there may be no need for a detailed design for Periodic Maintenance contracts as the works were carried out on the existing road alignment without alteration to the pavement structure. The works comprise interventions such as pothole patching, resealing, crack repair, etc.

He further stated that out of a total stretch of the road, there were few sections which required a design but it was planned that the designs would be given to the contractor whilst he carried out other works. It was worth noting that these designs for few sections of the road were now complete.

Committee's Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to take note of the matter in future audits.

b. Failure to Pay Advance Payment on Time

The Controlling Officer informed your Committee that the RDA certified works/services done as mandated by *the Public Roads Act No 12 of 2002* and submitted Payment Certificates/Invoices to NRFA for payment.

Further, he stated that RDA had no control on the timing of the payment to contractors. The Ministry of Housing and infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available in order to avoid interest payments.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of projects has immensely contributed to delay in paying contractors. Your Committee observes with concern that the lack of co-ordination between RDA and NRFA has equally contributed to this vice. It is in this regard that your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until the outstanding contracts are completed. Your Committee further urges the Controlling Officer to ensure that RDA develops a well structured annual procurement plan to clearly show how the dismantling of arrears will be achieved in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest and penalty charges incidental to the contract. Your Committee urges the Controlling Officer to pursue this matter to its logical conclusion and will await a progress report on the matter.

c. Delayed Commencement of Works

The Controlling Officer informed your Committee that the contract had commenced by July 2016 but the Contractor's full mobilisation had been delayed as a result of the delay in payment of the advance. This resulted in the extension of the contract and this was a compensation event provided for in Clause 44 of the contract.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of projects has immensely contributed to delay in paying contractors. Your Committee observes with concern that the lack of co-ordination between RDA and NRFA has equally contributed to this vice. It is in this regard that your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until the outstanding contracts are completed. Your Committee further urges the Controlling Officer to ensure that RDA develops a well structured annual procurement plan to clearly show how the dismantling of arrears will be achieved in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest and penalty charges incidental to the contract. Your Committee urges the Controlling Officer to pursue this matter to its logical conclusion and will await a progress report on the matter.

44. Upgrading to Bituminous Standard of 94 km of the Safwa to Mulilansolo to Chinsali Road Lot 1

a. Lack of Detailed Engineering Drawings

The Controlling Officer informed your Committee that the project was part of Phase I of the Link Zambia 8000 Projects. Owing to the urgency with which Government wanted to commence the works, Phase I of the Link Zambia 8000 Programme had commenced on a 'design and build' basis. This implied that detailed designs were not in place by the time of tendering. The tendering was based on standard designs. The design was undertaken by the Contractor and reviewed by the Consultant in packages of about 10 to 20 km.

Your Committee was further advised that the designs had since been completed for the entire stretch of the road.

Committee's Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to take note of the matter in future audits.

Late Engagement of the Supervising Consultant

Your Committee was informed that owing to the urgency with which Government and stakeholders wanted the project to take off, RDA proceeded to engage the contractor on the premise that they would prepare designs which would be reviewed and approved by RDA. In the meantime, RDA had commenced the procurement process for a Design Review and Supervision Consultant. Unfortunately, the procurement process was protracted resulting into the delay. However, the Consultant has since been appointed and was currently on site supervising the works. However, RDA noted the findings of the Auditors and could endeavour to ensure that supervising consultants were appointed on time for future projects.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor, was only engaged five months after the commencement of works. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specifications by the contractor as promulgated in the contract. Your Committee is dismayed with the justification by the Controlling Officer that the Regional Manager was able to supervise the works during this period. It is the strong view of your Committee that the Regional Manager has no requisite equipment for assessing the adherence to specifications. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without any further delay. Further, the Secretary to the Treasury is urged to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in

this anomaly. Your Committee sternly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee resolves to await a progress report on the current status of the road works. However, an assessment by the consultant to verify that the contractor adhered to the specifications as outlined in the contract should be undertaken before the commencement of other works.

b. Failure to Pay Advance Payment on Time

Your Committee was informed that RDA certified the works done as mandated by *the Public Roads Act No 12 of 2002* and submitted Payment Certificates to NRFA for payment.

Further, RDA had no control on the timing of the payments to contractors. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Your Committee resolves to await a progress report on the matter.

c. Failure to Pay Contractor on Time

Your Committee was informed that RDA certified the works done as mandated by *the Public Roads Act No 12 of 2002* and submitted Payment Certificates to NRFA for payment.

Further, RDA had no control on the timing of the payments to contractors. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delays in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the

further accumulation of interest penalty charges incidental to the contract. Your Committee resolves to await a progress report on the matter.

45. Upgrading to Bituminous Standard of 100 km of the Safwa to Mulilansolo to Chinsali Road Lot 2

a. Late Engagement of the Supervising Consultant

Your Committee was informed that owing to the urgency with which Government and stakeholders wanted the project to take off, RDA proceeded to engage the contractor on the premise that they would prepare designs which would be reviewed and approved by RDA. In the meantime, RDA had commenced the procurement process for a Design, Review and Supervision Consultant. Unfortunately, the procurement process was protracted resulting into the delay. The RDA provided oversight on the project through the Regional Manager's Office while the services of the Consultant were being procured.

The supervision consultant, Bari Zambia was engaged on 28th April, 2015. The lengthy procurement process was largely attributed to the delay in clearance of the draft contract by the Attorney General's Office.

The Controlling Officer, further, noted the findings of the Auditors and endeavoured to ensure that supervising consultants were appointed on time for future projects.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor, was only engaged three months after the commencement of works. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specifications by the contractor as promulgated in the contract. Your Committee is dismayed with the justification by the Controlling Officer that the Regional Manager was able to supervise the works during this period. It is the strong view of your Committee that the Regional Manager has no requisite equipment for assessing the adherence to specifications. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without any further delay. Further, the Secretary to the Treasury is urged to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee sternly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee resolves to await a progress report on the current status of the road works. However, an assessment by the consultant to verify that the contractor adhered to the specifications as outlined in the contract should be undertaken before the commencement of other works.

b. Lack of Detailed Engineering Drawings

Your Committee was informed that RDA noted the Auditors' observations and advised that the designs had since been completed for the entire stretch of road.

Committee's Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to take note of the matter in future audits.

c. Failure to Pay Contractor on Time

Your Committee was informed that RDA certified the works done as mandated by *the Public Roads Act No 12 of 2002* and submitted Payment Certificates to NRFA for payment.

Your Committee was further advised that RDA had no control on the timing of the payments to contractors. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Your Committee resolves to await a progress report on the matter.

d. Physical Inspection

The physical inspections carried out in September 2016 revealed that only 10 km had been surface dressed out of the contracted 100 km. The road works had stalled due to lack of payments.

Your Committee was informed that works had stalled owing to the financial challenges being faced in the Road Sector. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Your Committee resolves to await a progress report on the matter.

46. Mpika – Nabwalya – Mfuwe Road (Lot 1)

a. Late Engagement of the Supervising Consultant

Your Committee was informed that during the period between commencement of the works and engagement of an outsourced Supervising Consultant, the RDA Regional Manager managed the contract whose activities included mobilisation of the Contractor on site.

Committee’s Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor, was only engaged two months after the commencement of works. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specifications by the contractor as promulgated in the contract. Your Committee is dismayed with the justification by the Controlling Officer that the Regional Manager was able to supervise the works during this period. It is the strong view of your Committee that the Regional Manager has no requisite equipment for assessing the adherence to specifications. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without any further delay. Further, the Secretary to the Treasury is urged to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee sternly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee resolves to await a progress report on the current status of the road works. However, an assessment by the consultant to verify that the contractor adhered to the specifications as outlined in the contract should be undertaken before the commencement of other works.

b. Lack of Detailed Engineering Drawings

Your Committee was informed that the Consultant had completed the design for the road in sections.

Committee’s Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to note the matter in future audits.

c. Delayed Works

Your Committee was informed that the limited progress of works on site was attributed to the cash flow challenges being faced on the project. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that much needed project funding was released.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delays in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Your Committee resolves to await a progress report on the matter.

d. Physical Inspection

Your Committee was informed that the limited progress of works on site attributed to the cash flow challenges being faced on the project. The Ministry of Housing and Infrastructure Development will continue to engage the Ministry of Finance to ensure that much needed project funding is released.

Your Committee contends that the over procurement of works has immensely contributed to delays in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Your Committee resolves to await a progress report on the matter.

47. Upgrading to Bituminous Standard of the Isoka – Muyombe – Chama – Lundazi Road: Lot 2: D790 (KM 90 +000) – M14 (Chire River) – (93 km) in Muchinga Province – Questionable selection of the Bidder

a. Questionable Selection of Contractor

Your Committee was advised that all bids received were to be evaluated regardless of the qualification criteria in accordance with the requirement of clause 65(1) of the Public Procurement Regulations.

The restriction of the number of contracts to be awarded to each bidder was two and this was not a policy but a requirement in the Solicitation Document. As such, the number of contracts under the Link Zambia 8000 project was intended to ensure that each contractor had a manageable number of contracts in order to preserve their capacity to successfully implement the projects awarded to them.

Whilst other on-going projects such as rehabilitation and periodic maintenance were contributing to linking Zambia, they were not part of the Link Zambia 8000 project. Link Zambia project roads were clearly defined, programmed and phased.

At the time of award, Messrs China Civil Engineering Construction Corporation Zambia Limited, China Henan International Corporation Group Co. Limited, Plinth Technical Works Limited and AVIC International Project Engineering Limited had the following projects with the RDA:

S/N	Contractor	Name of Project	Number
1	China Civil Engineering Construction Corporation Zambia Limited	Upgrading of the Chama-Matumbo Lot 1	1
2	China Henan International Corporation Group Co. Limited	Mansa-Luwingu Road, Mpika-Nabwalya Lot 1, Lusaka – Chirundu Links 1 & 2 & 3, Upgrading of the Bottom Road Lot 1	6
3	AVIC International Project Engineering Limited	Upgrading of the Mongu to Kalabo Road, Upgrading/Rehabilitation of approximately 400km of Lusaka City Roads (L400)	2
4	Plinth Technical Works Limited	Nil	0

A due diligence exercise was carried out on each of the recommended Bidders at the various stages of the evaluation and re-evaluation phases to ascertain their capacity based on their contractual commitments with the RDA at that time. From the table above, it can be seen that only Messrs China Civil Engineering Construction Corporation

Zambia Limited and Plinth Technical Works Limited had less than the maximum allowable number of projects of two. However, Messrs Plinth Technical Works Limited were ascertained to have no capacity to undertake the works. Consequently, China Civil Engineering Construction Corporation Zambia Limited was deemed the best evaluated Bidder.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

b. Failure to Pay Contractor on Time

Your Committee was informed that RDA certified the works done as mandated by *the Public Roads Act No 12 of 2002* and submitted Payment Certificates to NRFA for payment.

Further, RDA had no control on the timing of the payments to contractors. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Your Committee resolves to await a progress report on the matter.

48. Upgrading to Bituminous Standard of the Isoka – Muyombe – Chama – Lundazi Road: Lot 3: M14 (Chire River) - Chama (D103 Junction) (90 km) in Muchinga Province

a. Late Engagement of the Supervising Consultant

The Controlling Officer informed your Committee that RDA noted the observation made by the Auditors and would ensure that Supervision Consultants were engaged in good time before commencement of works. However, it was worth noting that the Regional Manager supervised the works prior to the appointment of the Supervision Consultant. The Regional Manager assigned an Engineer to look into the day to day project management issues on site.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant who ordinarily should have been identified before the

commencement of any works by the contractor, was only engaged five months after the commencement of works. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specifications by the contractor as promulgated in the contract. Your Committee is dismayed with the justification by the Controlling Officer that the Regional Manager was able to supervise the works during this period. It is the strong view of your Committee that the Regional Manager has no requisite equipment for assessing the adherence to specifications. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without any further delay. Further, the Secretary to the Treasury is urged to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee sternly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee resolves to await a progress report on the current status of the road works. However, an assessment by the consultant to verify that the contractor adhered to the specifications as outlined in the contract should be undertaken before the commencement of other works.

b. Lack of Progress on the Project

Your Committee was informed that the limited progress of works on site was attributed to the cash flow challenges faced on the project. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that much needed project funding was released timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Your Committee resolves to await a progress report on the matter.

49. Upgrading and Re-alignment of D301 from Muyombe Junction to Chama (32 km) and Road from Chama to Luangwa River (42 km) including 12 km of urban Roads in Chama in Muchinga Province of Zambia – Lot 1

a. Unjustified Procurement Method – Direct Bidding

Your Committee was informed that the Contractor was engaged in accordance with the Public Procurement Act No. 12 Section 32 for direct bidding and necessary approvals were obtained from ZPPA and the Attorney General.

Further, the contract was signed on 30th November 2012 and as such the Contractor was at liberty to write to the RDA concerning any matter on the project including a request for advance payment. However, as stated, RDA only issued the order to commence on 10th January 2013 and therefore any works done before this date were at the Contractor's own risk.

Committee's Observations and Recommendations

Your Committee strongly reiterates that the ZPPA Act No 15 of 2008 should be amended without further delay in order to address the many concerns surrounding the single sourcing of contractors in the road projects. Your Committee in this regard, requests the Office of the Auditor General to note the matter in future audits.

b. Irregular Appointment of Subcontractors without Capacity

Your Committee was informed that RDA introduced the first guidelines and modalities for sub-contracting in 2012. These guidelines allowed for two methods of sub-contracting. These were: domestic sub-contracting; and nominated sub-contracting (The RDA has been utilizing the Nominated sub-contracting process for the selection of sub-contractors). Domestic sub-contracting entailed selection of sub-contractors by the main contractors upon approval by RDA while in nominated sub-contracting, RDA, would propose a list of sub-contractors from which the main contractor would get quotations and sign an agreement with, which would form part of the contract.

It was not the intention of the sub-contracting policy to subject sub-contractors to competition amongst themselves but was initiated for capacity building. However, in order to enhance transparency in the selection process of nominated sub-contractors, RDA management in consultation with the various stakeholders, has revised the guidelines and procedures for sub-contracting. It was envisaged that the implementation of the revised guidelines and procedures would assist to build the desired capacity among Zambian Contractors. Further, even though sub-contractors were nominated, the works remained the responsibility of the Main Contractor and as such, any work not done by a sub-contractor would have to be completed by the main Contractor.

Committee's Observations and Recommendations

Your Committee notes the strengthening of the guidelines on the selection of subcontractors aimed at ensuring competition. Your Committee therefore, urges the Controlling Officer to ensure that developed guidelines are implemented without further delay. Your Committee will await a progress report on the matter.

c. Physical Inspections

i. Stabilised Base Coring / Trial Pit

- **Muyombe Junction to Chama (32 km)**

Your Committee was informed that the tolerance for thicknesses of pavements should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub bases in accordance with clause 3405 (b) of the SATCC.

According to best practice, the minimum acceptable sample size required to obtain a conclusive analysis of results per Lot was 30 in line with clause 7205 (b) of the SATCC specifications. It was deemed to be undesirable to undertake the minimum 30 because of the destructive nature of the test. Further, it should be noted that the finding above was based on the coring results only for the section from Muyombe Junction to Chama (32 km), for urban roads in Chama and for the Airport Link road. This was not very accurate for determining the pavement layer thickness. Coring thickness results are to be augmented by test/trial pits which are more reliable in determining the pavement layer thickness. However, the results showed that on the Chama Matumbo road section where the coring was augmented by the trial pits, the results showed that the thickness measurements were within tolerance.

Committee's Observations and Recommendations

Your Committee is disappointed that whereas the sampling size of the coring tests conducted may not give a precise position on the adherence to specifications by the contractor, your Committee contends that had the contractor been providing the supervision as expected, the findings could have been availed to the auditors. Further, given that RDA was part of the assessment done by the auditors during the audit, and that the findings were not disputed then, your Committee directs that the highlighted defects should be corrected without any further delay. Your Committee resolves to await a progress report on the matter.

ii. Visual Inspections

• Muyombe Junction to Chama

The Controlling Officer submitted that the Contractor had remedied all the defects such as the reconstruction of the gravel sub-base, stabilised base and double seal during the defect liability period.

Committee's Observations and Recommendations

Your Committee resolves to close the matter subject to audit verification.

50. Upgrading and Re-alignment from Great North Road at Matumbo to Luangwa Bridge (115 km Road – Lot 2)

a. Direct Bidding / Single Sourcing of the Contractor and Consultant

The Controlling Officer informed your Committee that the Contractor and Consultant were engaged in accordance with the Public Procurement Act No. 12, Section 32 for direct bidding and necessary approvals were obtained from ZPPA and the Attorney General.

Committee's Observations and Recommendations

Your Committee observes that the projects procured through direct bidding are generally higher than other works due to uncompetitive rates contained in the Bills of Quantity. Your Committee therefore, urges the Controlling Officer to ensure that for future contracts, open bidding must be strictly adhered to in order to encourage competition and reasonable contract amounts. Your Committee requests the Office of the Auditor General to take note of the matter in future audits.

b. Lack of Detailed Engineering Drawings

The Controlling Officer explained that owing to the urgency with which Government wanted to commence the works, Phase I of the Link Zambia 8000 Programme had commenced on a 'design and build' basis. This implied that detailed designs were not in place by the time of tendering. The tendering was based on preliminary quantities.

Using this accelerated method of implementation, the appointed Consultant would deliver designs to the Contractor to execute in packages of about 10 to 20 km. The Consultant on this project used his approach and the full design had since been completed.

Committee's Observations and Recommendations

Your Committee reiterates that as long as RDA does not curb this serious irregularity, the Government will continue to lose time and funds due to numerous variations. It is in this regard that your Committee strongly urges the Controlling Officer to sternly caution management for this irregularity. Your Committee further urges the Controlling Officer to ensure that management desists from commencing works before detailed designs and technical drawings are put in place. Your Committee requests the Office of the Auditor General to take note of the matter in future audits.

c. Failure to Pay Contractor on Time

Your Committee was informed that RDA certifies the works done as mandated by the Public Roads Act No 12 of 2002 and submits Payment Certificates to NRFA for payment.

Further, RDA had no control on the timing of the payments to contractors. However, the Ministry of Housing and infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delays in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of

extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Your Committee resolves to await a progress report on the matter.

d. Physical Inspection

Your Committee was informed that the permanent standard road signs would be erected before the road was finally accepted.

Committee's Observations and Recommendations

Your Committee resolves to await a progress report on the matter.

SOUTHERN PROVINCE

51. Rehabilitation to Bituminous Standard of the D387 Road from T1 to Chikankata

a. Failure to Engage Supervising Consultant on Time

Your Committee was informed that during the period between commencement of the works and engagement of an outsourced Supervising Consultant, the RDA Regional Manager managed the contract whose activities included a prolonged mobilisation due to delayed payment of the advance payment.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor, was only engaged six months after the commencement of works. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action compromised the adherence to specifications by the contractor as promulgated in the contract. Your Committee is dismayed with the justification by the Controlling Officer that the Regional Engineer was able to supervise the works during this period. It is the strong view of your Committee that the Regional Engineer has no requisite equipment for assessing the adherence to specifications. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without any further delay. Further, the Secretary to the Treasury is urged to also censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee resolves to await a progress report on the current status of the road works. This should include an assessment by the consultant to verify if the contractor adhered to the specifications as outlined in the contract. Your Committee strongly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee resolves to await a progress report on the matter.

b. Failure to Pay Contractor on Time

Your Committee was informed that RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002 and submitted Payment Certificates/Invoices to NRFA for payment.

The RDA has no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development will continue to engage the Ministry of Finance to ensure that the necessary funding for the project is made available in order to avoid interest payments.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors. In addition, the lack of co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan for outstanding payments, as a matter of extreme urgency. This should clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs that in future, RDA should strictly follow its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

c. Interest Penalty Charges on Delayed Payments

Your Committee was informed that RDA certified the works/services done as mandated by the Public Roads Act No. 12 of 2002 and submitted Payment Certificates/Invoices to NRFA for payment.

Further, RDA had no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development will continue to engage the Ministry of Finance to ensure that the necessary funding for the project is made available in order to avoid interest payments.

Committee's Observations and Recommendations

Your Committee is alarmed with the high cost of interest penalty charges amounting to K 2,073,390 arising from the failure by RDA to settle the Interim Payment Certificates as contained in the contract. Further, your Committee finds the justification by the Controlling Officer for this matter disheartening. Whereas RDA has no control on the timing of payments of contractors, RDA has control on ensuring that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. The poor co-ordination between RDA and NRFA is costing the Government huge sums of money which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to ensure that RDA and NRFA closely collaborate to bring this vice to a stop by ensuring that contracts are only entered into upon confirmation of availability of funds from the Treasury through NRFA. In order to avoid the further accumulation of interest penalty charges, your Committee directs that the contract should be suspended and the contractor to mobilize immediately funds are sourced. Further, RDA should, as a

matter of extreme urgency, develop a new well structured annual payment plan to clearly show how the dismantling of arrears will be done in a phased manner. Your Committee resolves to await a progress report on the matter.

d. Failure to Renew Bank Guarantee

Your Committee was informed that the Advance Payment expired on 27 February 2016. The Contractor had been instructed to renew the Advance Payment Guarantee but he had been citing cash flow challenges as he had not been paid since August 2015.

However, out of the K 4,862,276.40 certified for Advance Payment and K 9,965,806.59 certified for the works, only K 1 Million had been paid to the Contractor.

Committee's Observations and Recommendations

Your Committee regrets that the unplanned over procurement of road projects without due consideration to the available resources has had far reaching effects including the failure by the contractor to renew Bank Guarantee arising from poor funding. It is unbelievable that out of the total bill of K 9,965,806.59, only K 1 Million has been paid to the contractor. Your Committee, therefore, directs that RDA should, as a matter of extreme urgency, develop a new well structured annual payment plan to clearly show how the dismantling of arrears will be done in a phased manner. This should take into account the amounts involved as well as the period that has elapsed since the contract was signed. Your Committee resolves to await a progress report on the matter.

52. Rehabilitation of 40 km of Selected Livingstone City Roads

a. Late Engagement of the Supervising Consultant

Your Committee was informed that during the period between commencement of the project and engagement of the Consultant, the RDA Regional Manager supervised the works. RDA will ensure that Supervising Consultants are appointed on time for future projects.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor, was only engaged six months after the commencement of works. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action compromised the adherence to specifications by the contractor as promulgated in the contract. Your Committee is dismayed with the justification by the Controlling Officer that the Regional Engineer was able to supervise the works during this period. It is the strong view of your Committee that the Regional Engineer has no requisite equipment for assessing the adherence to specifications. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should

ensure that officers at RDA who were responsible for this omission are disciplined without any further delay. Further, the Secretary to the Treasury is urged to also censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee resolves to await a progress report on the current status of the road works. This should include an assessment by the consultant to verify if the contractor adhered to the specifications as outlined in the contract. Your Committee strongly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee resolves to await a progress report on the matter.

b. Lack of Detailed Road Engineering Designs

Your Committee was informed that by the time RDA became involved in the preparations for the UNWTO Conference, there was no sufficient time for the process to engage a Consultant to carry out a detailed design and to engage a Contractor thereafter. RDA decided to go to tender using an in-house preliminary design. The intention was that a detailed design, where necessary, was to be undertaken after the engagement of a Contractor so as to speed up works in preparation for the UNWTO. In the process, Messrs Inyatsi Roads (Z) Limited, who were the Contractor for the project, prepared the designs owing to the urgency of the works in preparation of the UNWTO. Part of the scope of works were maintenance in nature such as pothole patching and did not require detailed designs to be undertaken. Therefore, the Contractor prioritised these works and concurrently prepared the designs as the works progressed.

Committee's Observations and Recommendations

Your Committee finds the justification for the absence of detailed engineering designs unacceptable given that the decision to host the UNWTO was made much earlier. In addition, the huge variation of K 7,698,700 arising from this omission not only deprives the Treasury of the much needed funds to be channelled to other competing needs in the country, but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Your Committee directs that the Secretary to the Treasury should with immediate effect surcharge the Controlling Officer for this omission to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

c. Irregular Variations of Scope of Works

Your Committee was informed that the Contract was varied in accordance with the Contract provisions. There was no capping on the amount to be varied in the Contract and this was done in line with the Public Procurement Act and Regulations.

The amendments to the Contract were justified and all relevant authorities were obtained including clearance by Attorney General's Office.

Committee's Observations and Recommendations

Your Committee raises consternation with the unfortunate justification by RDA owing to the absence of capping for making variations beyond twenty-five percent. This state of affairs is subject to abuse and has been regrettably abused by RDA in most instances. There is clearly collusion between RDA and the contractor as the 98% variation is clearly

outrageous. Your Committee urges the Secretary to the Treasury, as a matter of extreme urgency, to ensure that the twenty-five capping threshold on variations is legislated in the *ZPPA Act of 2008* to avoid the continued abuse of this omission by RDA. Further, the RDA Board should scale-up its advisory role of providing the required checks and balances on RDA management in order to bring to a stop this unjustifiable abuse of public funds. Your Committee resolves to await a progress report on the matter.

d. Physical Inspection

i. Botswana Road

Your Committee was informed that the tolerance for thicknesses of pavements should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub bases in accordance with clause 3405 (b) of the SATCC.

According to the observation, there were no thickness measurements taken successfully and therefore no conclusion can be made.

Committee's Observations and Recommendations

Your Committee expresses concern with the poor quality of works done despite the huge amounts of public funds spent on this project. It is evident that the life span of the road was highly compromised given the findings by the auditors resulting in value for money not being achieved. Further, owing to the reluctance by RDA to accept the findings by the auditors owing to the methodology used to assess the adherence to specification on the thickness, your Committee finds this conduct unacceptable as RDA was fully involved during the assessment of the defects by the auditors. Your Committee directs that the highlighted defects should be corrected without any further delay. Going forward, your Committee urges the Controlling Officer to ensure that RDA closely supervises the consultants to ensure that monthly reports on works done by the contractor are submitted to avoid the recurrence of the anomaly. Your Committee resolves to await a progress report on the matter.

ii. Balewa road

Your Committee was informed that the tolerance for thicknesses of pavements should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub bases in accordance with clause 3405 (b) of the SATCC.

According to the observation there were no thickness measurements taken successfully and therefore no conclusion can be made.

The failure of the base on selected sections was due to leakage of water from SWASCO pipes and not poor design.

The defects liability period elapsed over a year following the end of the works contract. This implies that the Contractor cannot be made to redo the faded road markings. Further, the markings were done immediately after the surfacing due to the urgency of the works and this could have contributed to the fading of the markings.

Committee's Observations and Recommendations

Your Committee expresses concern with the poor quality of works done despite the huge amounts of public funds spent on this project. It is evident that the life span of the road was highly compromised given the findings by the auditors resulting in value for money not being achieved. Further, owing to the reluctance by RDA to accept the findings by the auditors owing to the methodology used to assess the adherence to specification on the thickness, your Committee finds this conduct unacceptable as RDA was fully involved during the assessment of the defects by the auditors. Your Committee directs that the highlighted defects should be corrected without any further delay. Going forward, your Committee urges the Controlling Officers to ensure that RDA closely supervises the consultants to ensure that monthly reports on works done by the contractor are submitted to avoid the recurrence of the anomaly. Your Committee resolves to await a progress report on the matter.

iii. Mandela Road

Your Committee was informed that the tolerance for thicknesses of pavements should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub bases in accordance with clause 3405 (b) of the SATCC.

According to the observation, there were no thickness measurements taken successfully and therefore no conclusion can be made.

The defects liability period elapsed over a year following the end of the works contract. This implies that the Contractor cannot be made to redo the faded road markings. Further, the markings were done immediately after the surfacing due to the urgency of the works and this could have contributed to the fading of the markings.

Committee's Observations and Recommendations

Your Committee expresses concern with the poor quality of works done despite the huge amounts of public funds spent on this project. It is evident that the life span of the road was highly compromised given the findings by the auditors resulting in value for money not being achieved. Further, owing to the reluctance by RDA to accept the findings by the auditors owing to the methodology used to assess the adherence to specification on the thickness, your Committee finds this conduct unacceptable as RDA was fully involved during the assessment of the defects by the auditors. Your Committee directs that the highlighted defects should be corrected without any further delay. Going forward, your Committee urges the Controlling Officers to ensure that RDA closely supervises the consultants to ensure that monthly reports on works done by the contractor are submitted to avoid the recurrence of the anomaly. Your Committee resolves to await a progress report on the matter.

53. Poor Design of Kazungula Weigh Bridge Driveway

Your Committee was informed that the initial design was adequate. RDA stated that the initial contract to carryout works was with Turner Construction Limited as the Contractor and Bicon Zambia Limited being the Supervising Consultant. The works contract was

terminated due to poor performance while the consultancy contract lapsed following the expiration of the contract period. RDA procured another contractor, Fair-Face Enterprises Limited and another consultant, Zulu Barrow Limited as supervising consultants with a view to improving the quality of works.

However, Zulu Barrow Limited, after reviewing the original design, recommended the use of Y12 reinforced bars instead of Conforce 257 reinforcement. The design change was necessitated by the general increase of Traffic volume on Livingstone to Katima Mulilo Road.

The completed work resulting from the change of designs from the Conforce 257 reinforcement to Y12 re-enforced concrete is as shown in the pictures below.



Committee's Observations and Recommendations

Your Committee expresses concern with the engineers at RDA who approved the initial design by the contractor to use conforce wire instead of the 16mm reinforcement bars resulting in the poor quality of works. Further, this anomaly culminated in the engagement of another contractor and consultant resulting in the additional use of public funds to complete the project. Your Committee strongly urges the Controlling Officer to ensure that all the engineers who approved the initial design are disciplined to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

54. Rehabilitation and Upgrading of the Monze – Niko Road (71 km)

a. Lack of Detailed Engineering Drawings

Your Committee was informed that this project was part of the Link Zambia 8000 Projects. Owing to the urgency with which Government wanted to commence the works, the RDA utilised preliminary designs from the already ongoing detailed design contract with East Consult, which commenced in September 2013 before the engagement of the contractor in May 2014, for the purposes of going to Tender.

Although complete designs were not available at the commencement of works, the contractor was being provided with designs in sections by the consultant to ensure that there was no delay in the execution of the works.

The final design was approved on 8th June 2015 and was available for scrutiny.

Committee's Observations and Recommendations

Your Committee finds the justification for the absence of detailed engineering designs unacceptable. While noting the piece-meal submission of detailed engineering designs and drawings, this did not help matters as the action was also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. While noting that the final design was approved on 8th June 2015 as purportedly made by the Controlling Officer, the auditors were not availed the documents during the audit process. Your Committee directs that the Controlling Officer should censure management at RDA for this omission. Your Committee resolves to await a progress report on the matter.

b. Failure to Pay Advance Payment on Time

Your Committee was informed that RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002 and submitted Payment Certificates/Invoices to NRFA for payment.

Further, the RDA had no control on the timing of the payment to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available in order to avoid interest payments.

Committee's Observations and Recommendations

Your Committee expresses worry that the delay in offsetting the remaining balance of K2,424,042 despite the contractor having submitted the unconditional bank guarantee /insurance bond may result in the accumulation of interest penalty charges. Further, your Committee finds the justification by the Controlling Officer for this matter very disheartening. Whereas RDA has no control on the timing of payment of contractors, RDA has control on ensuring that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. The poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to ensure that RDA and NRFA closely collaborate to bring to a stop this vice by ensuring that contracts are only entered into upon confirmation of funds from the Treasury through NRFA. In order to avoid the further accumulation of interest penalty charges, your Committee directs that this contract should be prioritised under the new annual procurement plan to be developed. Furthermore, your Committee sternly cautions the Controlling Officer to desist from this practice. Your Committee resolves to await a progress report on the matter.

c. Failure to Pay Contractor on Time

Your Committee was informed that RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002 and submits Payment Certificates/Invoices to NRFA for payment.

Further, RDA had no control on the timing of the payment to contractors. The Ministry of Housing and Infrastructure Development could continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available in order to avoid interest payments.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delays in paying contractors. In addition, the poor co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs that the Controlling Officer should ensure that RDA strictly adheres to its annual work plans in order to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

d. Physical Inspection - Communication/Electricity Service Cables

Your Committee was informed that the utility companies were engaged to relocate the services. The services had since been relocated 15m away from the original position and the height clearance increased from 7 m to 10 m.

Committee's Observations and Recommendations

Your Committee notes the adjustment done by the utility company but urges the Controlling Officer to desist from such negligence which puts the lives of road users at risk. Your Committee resolves to close the matter subject to audit verification.

55. Upgrading to Bituminous Standard of 107.5 Km of the Bottom Road (RS19, RS 7 and RS5) from Chaboboma via Sinazeze to Sinazongwe in Southern Province - Lot 2

a. Failure to Appoint a Consultant on Time

Your Committee was informed that the consultant was appointed in September 2015 before the contractor mobilised to site. The Contractor had delayed to move to site

claiming that he needed to be paid an advance before doing so. The advance was paid in September 2015 and the contactor commenced mobilisation from then.

Committee's Observations and Recommendations

While noting that the contractor co-incidentally commenced works together with the contractor due to the delay by the contractor to mobilise, this does not justify the failure by RDA to engage the contractor on time. Your Committee also contends that the action is at variance with Section 7 (3) of the *Public Finance Act of 2004*. In this vein, your Committee directs that the Secretary to the Treasury should with immediate effect surcharge the Controlling Officer for this omission to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

b. Lack of Engineering Design

Your Committee was informed that designs were available for this project prior to going to tender. This design was carried out earlier by Bicon Consulting Engineers in association with BKS.

Committee's Observations and Recommendations

Your Committee raises consternation with the authenticity and validity of the documents in question. It is shocking that the purported documents were not availed to the auditors during the audit process. Your Committee urges the Controlling Officer to ensure that institutions under his charge give the audit process the attention it deserves. Your Committee will not take this matter lightly should it recur. Your Committee resolves to close the matter subject to audit verification.

c. Delayed Advance Payment

Your Committee was informed that the advance was paid in full in September 2015.

Committee's Observations and Recommendations

Your Committee notes the response and resolves to close the matter subject to audit verification.

d. Failure to Commence Works on Time

Your Committee was informed that the contractor had not moved to site because they claimed the non-payment of advance as the reason not to mobilise. The Advance Payment was eventually paid and the parties agreed to move the commencement date to 29th September 2015.

Committee's Observations and Recommendations

While noting that the contractor has since commenced works following the settling of the advance payment by RDA, your Committee is concerned by the continued signing of contracts by RDA without the confirmation of the availability of funds by the Treasury through NRFA. In addition, the weak supervision of consultants by RDA has resulted in the slow pace at which contractors are working. It is disheartening that the project in question was at only eleven percent as at November 2016. Your Committee urges the Controlling Officer to censure RDA management to enhance the supervision of engaged consultants in order to achieve the time frame promulgated in the contract on the completion period. Further, in the absence of the Board, the Controlling Officer is directed to keep management in check to avoid the recurrence of the query. Your Committee resolves to await a progress report on the full completion of the project.

56. Rehabilitation of 131.5 km of the Bottom roads Lot1: Munyumbwe to Chaanga to Njami D00/501) in Southern Province

a. Failure to Pay Contractor on Time

Your Committee was informed that RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002 and submitted Payment Certificates/Invoices to NRFA for payment.

Further, RDA has no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development could continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available in order to avoid interest payments.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delays in paying contractors. In addition, the poor co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee notes that whereas RDA has no control on the timing of payments of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee urges the Controlling Officer to ensure that RDA strictly adheres to its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

b. Physical Inspection

During the physical inspection the following observations were made:

i. Pavement - Stabilised Base Coring / Trial Pit

Your Committee was informed that only one (Km 20+200 107 mm,) out of the measurements successfully done using the trial pits test was outside the tolerance.

Further, the tolerance for thicknesses should be plus or minus 27mm for the base or subbase and plus or minus 30mm for the shoulders in accordance with clause 3405 (b) of the SATCC.

According to best practice, the minimum acceptable sample size required to obtain a conclusive analysis of results per Lot is 30 in line with clause 7205 (b) of the SATCC specifications. It was deemed to be undesirable to undertake the minimum 30 because of the destructive nature of the test. The fact that cores were extracted, though crumbled in certain cases, is evidence to show cement stabilisation was done. However, to determine the quantity of cement added to a pavement layer during stabilisation requires the cement content test in line with SATCC Clause 7109 (Tests relating to chemical stabilisation). Based on the test that were done, it would be difficult to establish whether there was adequate or inadequate cement in the base material.

Layer thicknesses may be determined by means of level measurements taken before and after construction of the layer in exactly the same position, but may be augmented by thicknesses measurements taken by means of holes made in the layer. It states that the lot will be considered to comply with the requirements for layer thicknesses if of these 30:-

- (i) at least 90% of all the thickness measurements taken before any thickness repairs are made are equal to or greater than the specified thickness, minus the D_{90} tolerance specified in the appropriate section and;
- (ii) the mean layer thickness of the lot is not less than the specified thickness, minus the D_{mean} tolerance. Isolated spots where the actual thickness is less than the specified thickness less the D_{max} tolerance shall be repaired so as to fall within the D_{90} tolerance.

The tolerances being

	D_{90}	D_{max}	$D_{average}$
Selected layer.....	30 mm	40 mm	10 mm

Subbase.....	21 mm	27 mm	5 mm
Base.....	21 mm	27 mm	5 mm
Wearing course.....	-	30 mm	0 mm
Shoulders.....	-	30 mm	0 mm

However, the sample size fell below the 30 thickness samples required per lot for a conclusive analysis.

Further, RDA agreed with the Auditors to carryout up to ten measurements per project. This was to minimise the destruction to the roads since these thickness measurements are destructive.

Committee’s Observations and Recommendations

Your Committee expresses concern with the poor quality of works done despite the huge amounts of public funds spent on the project. It is evident that the life span of the road is highly compromised given the finding by the auditors resulting in value for money not being achieved. Further, your Committee finds the reluctance by RDA to accept the findings by the auditors owing to the methodology used to assess the adherence to specification on the thickness, unacceptable. It is hypocritical for RDA to question the findings by the auditors when they were part of the tests. In this vein, your Committee directs that the Controlling Officer should ensure that the highlighted defects are addressed without any further delay. Your Committee resolves to await a progress report on the correction of the highlighted defects.

ii. Surface Irregularity – 3 m Straight Edge - Surface irregularity

Your Committee was informed that RDA would ensure that all defects were repaired where necessary in accordance with the provisions of the contract before the end of the defects liability period.

Committee’s Observations and Recommendations

While noting the action by RDA to correct the highlighted defects before the end of the liability period, your Committee is concerned with the poor supervision of consultants by RDA. Your Committee is alive to the fact that the same road had in the recent past developed huge cracks demonstrating the poor workmanship by the contractor. Your Committee contends that had RDA been serious in conducting periodic review of the works done by the contractor, the highlighted defects would have been addressed then. Your Committee urges the Controlling Officer to strengthen the Monitoring and Evaluation framework for RDA in order to avoid the recurrence of the matter. Further, RDA should undertake a comprehensive assessment of all works done this far which require correcting identifiable defects before the end of their respective liability periods. Your Committee resolves to await a progress report on the correction of the highlighted defects.

WESTERN PROVINCE

57. Construction of a Bridge across the Zambezi River at Sioma / Maziba Bay Crossing in Senanga / Shangombo Districts of Western Province

a. Delay in Awarding of Supervision Contract

Your Committee was informed that RDA earlier awarded a contract to UWP Consulting for consultancy services for detailed engineering design and construction supervision of the Sioma Bridge in May 2011, much earlier than that of the works contract which was awarded in June 2011. However, this consultancy contract was terminated in 2012. The contractor was then granted authority to carry out the design of the bridge which was later reviewed by EG Petit.

There was a prolonged process to engage EG Petit to carry out the design review and supervision, but it was critical that the design review and supervision services commenced urgently without delay due to the nature of bridge construction works which required very close supervision. However, the effective commencement date of the design review and supervision contract in accordance with Clause 13.1 of the Special Conditions of contract was 29th April 2013, although it was signed in May 2014.

Committee's Observations and Recommendations

Your Committee finds the action by RDA to engage a consultant to review works before the official award of the contract highly irregular. Your Committee contends that it is such careless actions that have resulted in huge variations thereby costing the Government unplanned for expenditure. Your Committee urges the Controlling Officer to ensure that officers who authorised the engagement of the consultant without the official award of the contract are charged in order to deter similar matters to recur. Your Committee resolves to await a progress report on the matter.

b. Failure to Insure Motor Vehicle Comprehensively and Delayed Replacement

Your Committee was informed that the Contractor replaced the vehicle with a Nissan Hard Body Reg No. BAA7361 on 17th September 2015, which was issued to the Consultant.

Committee's Observations and Recommendations

While noting that the motor vehicle involved in an accident has been purportedly replaced, your Committee is dismayed that the replacement was only done one year after the incident and following the query by the auditors. This goes to show the extent of the weak supervision by RDA. As if this is not enough, the motor vehicles are not comprehensively insured which puts them at high risk. Your Committee urges the Controlling Officer to strengthen the weak monitoring and evaluation framework at RDA

to avoid the recurrence of similar cases. Further, all the motor vehicles should be comprehensively insured by the contractor without any delay. Your Committee resolves to await a progress report on the matter.

c. Failure to Pay Contractor on Time

Your Committee was informed that the RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002 and submitted Payment Certificates/Invoices to NRFA for payment. The RDA had no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available in order to avoid interest payments.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors on time. It is regrettable that the delay to pay the contractor on time has resulted in the price adjustment by 32.3 percent. In addition, the poor co-ordination between RDA and NRFA has equally contributed to this vice. Your Committee notes that whereas RDA has no control on the timing of payments of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. Further, your Committee directs the Controlling Officer to ensure that RDA strictly adheres to its approved annual work plan to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

58. Periodic Maintenance of 87.2 km of Kaoma – Mongu (M009) Road from Tateyoyo (Kafue National Park West Gate) to Katunda/Lukulu Road in Western Province: Lot 1

a. Incomplete Works at Closure of Contract

Your Committee was informed that during the absence of the Consultant, the Regional Manager was supervising the works which included pothole patching.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor, was only engaged three months after the commencement of works. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specifications by the

contractor as promulgated in the contract. Your Committee is dismayed with the justification by the Controlling Officer that the Regional Engineer was able to supervise the works during this period. It is the strong view of your Committee that the Regional Engineer has no requisite equipments to ensure the adherence to specifications by the contractor. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without any further delay. Further, the Secretary to the Treasury is urged to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee resolves to await a progress report on the current status of the road works. This should include an assessment by the consultant to verify that the contractor adhered to the specifications as outlined in the contract. In resolving to await for a progress report, your Committee sternly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects.

b. Unsettled Final Account at Closure of Contract

Your Committee was informed that the contract was terminated and a new contract was procured to allow for a change of intervention from periodic maintenance to full rehabilitation which was now the appropriate intervention.

However, it was not expected that the unsurfaced portions would remain in that state for a prolonged time. Due to a lengthy procurement process coupled with the contractors reluctance to sign the contract due to depreciation of the Zambian Kwacha, the engagement of a contractor was delayed. Messers Avic International had since signed the contract.

Committee's Observations and Recommendations

Your Committee expresses shock with the poor planning exhibited by RDA which resulted in the change from periodic maintenance to full rehabilitation of the road in question. This demonstrates in more ways than one that the planning department at RDA is not providing the needed guidance and consistency in its work plan. Your Committee urges the Controlling Officer to ensure that the new contractor, that is Messers Avic International should address the highlighted defects on the unsurfaced area before commencement of the other works. Further, the responsible officers at RDA who authorised the plans should be charged for this omission. Your Committee resolves to await a progress report on the matter.

c. Unsettled Final Account at Closure of Contract

Your Committee was informed that the RDA certified the works done as mandated by the Public Roads Act No 12 of 2002 and submitted Payment Certificates to NRFA for payment. The RDA had no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delays in paying contractors on time. It is regrettable that the delays to pay the contractors on time had resulted in the accumulation of interest and penalty charges. It is worrying that despite the contractor having submitted the revised IPC in 2014, the amount has not been settled. This demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payments of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. In addition, your Committee urges the Controlling officer to ensure that RDA strictly adheres to its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

NORTH-WESTERN PROVINCE

59. Rehabilitation of the Solwezi Weigh Bridge Phase II in North-Western Province

a. Failure to Issue Detailed Engineering Drawings on Time

Your Committee was informed that Design Drawings were available for issuance to the Contractor. However, the Contractor delayed to mobilise to site and this led to the delay in the issuance of the Designs and Drawings to the Contractor. The one month delay was within the typical mobilisation period.

Committee's Observations and Recommendations

Your Committee notes that while the issuance of the designs and drawings accidentally coincided with commencement of works by the contractor owing to the delay by the contractor to mobilise, this does not justify the late issuance of the designs and drawings. Your Committee urges the Controlling Officer to sternly caution management at RDA to desist from this serious omission that is also at variance with Section 7 (3) of the *Public Finance Act of 2004*. Your Committee resolves to close the matter.

b. Failure to Avail the Evaluation Report

Your Committee was informed that there was a misunderstanding between the Auditor's required Evaluation Report and what RDA provided on the Rehabilitation of the Solwezi Weighbridge. However, the correct Evaluation Report for 2015 was available for scrutiny.

Committee's Observations and Recommendations

Your Committee finds the disjointed response by the Controlling Officer a mockery to the audit process. This action also goes to show the poor record keeping at RDA which should be corrected without any further delay. Your Committee urges the Controlling Officer to ensure that the responsible officers who failed to avail the correct evaluation report to the auditors are disciplined in order to avoid the recurrence of the query. Your Committee resolves to close the matter subject to audit verification.

c. Failure to Renew Works and Consultancy Contracts

The Committee was informed that the findings are well noted and the Road Development Agency shall endeavour to ensure that contracts are not allowed to expire before works are completed. However, the procurement process to single source the same consultant and the same contractor for the service and works contracts, respectively, had commenced but was yet to be concluded.

Committee's Observations and Recommendations

Your Committee expresses shock with the poor planning exhibited by RDA which resulted in the delay to renew the contracts for both the contractor and consultant. This shows the extent of laxity and poor management of the contracts by RDA. In light of the foregoing, your Committee urges the Controlling Officer to discipline the responsible officers for this omission in order to avoid the recurrence of the query. Further, your Committee urges the Controlling Officer to ensure that RDA is closely supervised so as to ensure that contracts are not allowed to expire before the completion of works. Your Committee resolves to await a progress report on the final conclusion of the matter.

d. Failure to Pay the Contractor

The Committee was informed that RDA certifies the works done as mandated by the Public Roads Act No 12 of 2002 and submits Payment Certificates to NRFA for payment.

RDA had no control on the timing of the payments to Contractors. The Ministry of Housing and Infrastructure Development shall continue to collaborate with the Ministry of Finance to ensure that the funding for this project was made available timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delays in paying contractors on time. It is regrettable that the delay to pay the contractor on time may result in the accumulation of interest and penalty charges. It is worrying that despite the contractor having submitted the IPC's, the amount has not been settled. This demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payments of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the

outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. In addition, your Committee urges the Controlling Officer to ensure that RDA strictly adheres to its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

60. Periodic Maintenance of 136.6 km of the T005 Solwezi to Mwinilunga Lot 1 from Solwezi River Junction

a. Failure to Issue Detailed Engineering Drawings on Time

Your Committee was informed that the Design Drawings were available for issuance to the Contractor. However, the Contractor delayed to mobilise to site and this led to the delay in the issuance of the Designs and Drawings to the Contractor. The one month delay was within the typical mobilisation period.

Committee's Observations and Recommendations

Your Committee notes that while the issuance of the designs and drawings accidentally coincided with commencement of works by the contractor owing to the delay by the contractor to mobilise, this does not justify the late issuance of the designs and drawings. Your Committee urges the Controlling Officer to sternly caution management at RDA to desist from this serious omission that is also at variance with Section 7 (3) of the *Public Finance Act of 2004*. Your Committee resolves to close the matter.

b. Failure to Avail the Evaluation Report

Your Committee was informed that there was a misunderstanding between the Auditor's required Evaluation Report and what RDA provided on the Rehabilitation of the Solwezi Weighbridge. However, the correct Evaluation Report for 2015, was available for scrutiny.

Committee's Observations and Recommendations

Your Committee finds the disjointed response by the Controlling Officer a mockery to the audit process. This action also goes to show the poor record keeping at RDA which should be corrected without any further delay. Your Committee urges the Controlling Officer to ensure that the responsible officers who failed to avail the correct evaluation report to the auditors are disciplined in order to avoid the recurrence of the query. Your Committee resolves to close the matter subject to audit verification.

c. Failure to Renew Works and Consultancy Contracts

Your Committee was informed that the findings were well noted and the RDA shall endeavour to ensure that contracts are not allowed to expire before works are completed. However, the procurement process to single source the same consultant and the same contractor for the service and works contracts respectively had commenced, but was yet to be concluded.

Committee's Observations and Recommendations

Your Committee expresses shock with the poor planning exhibited by RDA which resulted in the delay to renew the contracts for both the contractor and consultant. This shows the extent of laxity and poor management of the contracts by RDA. In light of the foregoing, your Committee urges the Controlling Officer to discipline the responsible officers for this omission in order to avoid the recurrence of the query. Further, your Committee urges the Controlling Officer to ensure that RDA is closely supervised so as to ensure that contracts are not allowed to expire before the completion of works. Your Committee resolves to await a progress report on the final conclusion of the matter.

d. Failure to Pay the Contractor

Your Committee was informed that the RDA certified the works done as mandated by the Public Roads Act No 12 of 2002 and submitted Payment Certificates to NRFA for payment.

The RDA had no control on the timing of the payments to Contractors. The Ministry of Housing and Infrastructure Development shall continue to collaborate with the Ministry of Finance to ensure that the funding for this project was made available timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors on time. It is regrettable that the delay to pay the contractor on time may result in the accumulation of interest and penalty charges. It is worrying that despite the contractor having submitted the IPC's, the amount has not been settled. This demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. In addition, your Committee urges the Controlling Officer to ensure that RDA strictly adheres to its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the matter.

i. Late Engagement of the Supervising Consultant

Your Committee was informed that the appointment of the Regional Manager was a stopgap measure for the period when the procurement of the Supervising Consultant was ongoing. During this period, the contractor was largely mobilising, and there were no major works being carried out.

For normal Periodic Maintenance contracts, there was no need for a detailed design as the works were carried out on the existing road alignment. The works comprised activities such as pothole patching, resealing, crack repair, etc. Therefore, the supervision capability of the Regional Manager was sufficient during this period.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor, was only engaged five months after the commencement of works. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specifications by the contractor as promulgated in the contract. Your Committee is dismayed with the justification by the Controlling Officer that the Regional Engineer was able to supervise the works during this period. It is the strong view of your Committee that the Regional Engineer has no requisite equipment to ensure strict adherence to specifications by the contractor. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that officers at RDA who were responsible for this omission are disciplined without any further delay. Further, the Secretary to the Treasury is urged to censure the Controlling Officer for failure on his part to closely monitor RDA resulting in this anomaly. Your Committee sternly cautions the Controlling Officer to desist from commencing works without the engagement of consultants for future projects. Your Committee resolves to await a progress report on the current status of the road works. However, an assessment by the consultant to verify that the contractor adhered to the specifications as outlined in the contract should be undertaken before the commencement of other works.

ii. Failure to Pay Contractor on Time

Your Committee was informed that the RDA certified the works done as mandated by the Public Roads Act No 12 of 2002, and submitted Payment Certificates to NRFA for payment. The RDA had no control on the timing of the payments to Contractors. The Ministry of Housing and Infrastructure Development shall continue to collaborate with the Ministry of Finance to ensure that the funding for this project was made available, timely.

Committee's Observations and Recommendations

Your Committee contends that the over procurement of works has immensely contributed to delay in paying contractors on time. It is regrettable that the delay to pay the contractor on time has resulted in the accumulation of interest and penalty charges amounting to K4,482,875. It is worrying that despite the contractor having submitted the IPC's, the amount has not been settled. This demonstrates the poor co-ordination

between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. In addition, your Committee urges the Controlling Officer to ensure that RDA strictly adheres to its approved work plans. Your Committee resolves to await a progress report on the matter.

iii. Physical Inspection

Your Committee was informed that the RDA previously observed the surface irregularities and had written to the consultant to instruct the contractor to correct the defects. The defects had not been rectified due to cash flow challenges that the Contractor was facing. The works were still ongoing and RDA and the Supervising Consultant would ensure that any defects which would be identified were rectified prior to the handover of the road to the Client. Corresponding documentation regarding the matter was available for scrutiny.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure that the highlighted defects are corrected immediately the contractor resumes works. Your Committee resolves to await a progress report on the matter.

61. Periodic Maintenance of 169 km of Road T005 from Solwezi to Chingola

a. Delayed Intervention Resulting in Wrong Interventions

Your Committee was informed that the actual overall progress at the time of contract termination was at 25 percent and not the reported 98 percent. The reported 98 percent referred to the emergency maintenance works carried out by the mines which were being done to improve passability and riding quality before rehabilitation works commenced. The RDA realised the delay in the procurement process which resulted in the initially envisaged scope of periodic maintenance being inadequate. Consequently, the contract was terminated and new contracts were procured for rehabilitation that adequately covered the required scope of works.

Committee's Observations and Recommendations

Your Committee is alive to the historical challenges on the state of the road in question following the recent rapid economic growth in the province. While noting that the contract in question was terminated and the new contract procured will include the

rehabilitation of the highlighted defects, your Committee is disappointed with the poor management of contracts by RDA. The delay in signing the initial contract by fourteen months not only delayed the usage of the road by the province that has two big mining companies that are producing minerals for the country, but also resulted in the further deterioration of the already poor state of the road. This also led to the increase in the Bill of Quantity. Your Committee urges the Controlling Officer to closely supervise RDA in order to be effectively and efficiently managing contracts and make interventions immediately to avoid the recurrence of the matter. Your Committee resolves to await a progress report on the completion of the remaining works by the new contractor.

b. Questionable Award of Contracts

Your Committee was informed that the initial process was to single source China Geo Engineering on the entire stretch. However, negotiations on the price with the Contractor failed. The process was opened up and upon the conclusion of the evaluation process Messrs China Nanchang Engineering Ltd and Whitacon Zambia Ltd were recommended for award subject to a successful due diligence as these firms had never undertaken works with the RDA before. The due diligence exercise was undertaken on these Contractors. However, the results of the due diligence showed that the recommended bidders Messrs China Nanchang Engineering Ltd and Whitacon Zambia Ltd lacked the necessary experience and resources to undertake the works. Therefore, they could not be awarded the contracts. It was worth noting at this point that the condition of the road had deteriorated to alarming levels and this prompted Management to look into the quick engagement of contractors to undertake the works. Since time was of essence in this procurement, Management decided to revert to negotiate with Messrs China Geo Engineering to carry out works on Lots 1 and 3 and all necessary approvals were obtained.

The RDA carried out these due diligence exercises in line with the approved RDA Vendor Rating Policy and Procedures manual of January 2013, which required that a strict due diligence exercise be carried out on any Bidder or Vendor with whom RDA had not previously engaged on any works. The RDA Management undertook the necessary steps in the identification of suitable contractors for the works to ensure value for money and that Bidders with the required experience were engaged.

Committee's Observations and Recommendations

Your Committee finds the justification for single sourcing China Geo Engineering for this project unacceptable. It is regrettable that despite the Evaluation Committee recommending the eligible bidders, RDA awarded the contract with total disregard to laid down procedures. Your Committee is alive to the fact that RDA has awarded contracts such as the Landless Corner – Mumbwa Road to an inexperienced contractor and this action was justified. Your Committee finds the justification a clear case of inconsistency in the award of contracts. Further, the single sourcing disadvantaged other potential bidders and is at variance with Section 7 (3) of *the Public Finance Act of 2004*. Your Committee strongly recommends that the Secretary to the Treasury should censure the Controlling Officer and management at RDA for this omission. Your Committee resolves to close the matter.

c. Failure to Pay Contractor on Time

Your Committee was informed that the RDA certified the works done as mandated by the Public Roads Act No 12 of 2002 and submitted Payment Certificates to NRFA for payment. The RDA had no control on the timing of the payments to contractors. However, Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for this project was provided timely.

Committee's Observations and Recommendations

Your Committee regrets that yet again, there was a delay in paying the contractor on time. It is the considered view of your Committee that the delay to pay the contractor on time results in the accumulation of interest and penalty charges as well as the delay to complete works as scheduled. This action, further demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured annual procurement plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. In addition, your Committee urges the Controlling Officer to ensure that RDA strictly adheres to its approved work plans to avoid the recurrence of the matter. Your Committee resolves to await an update on the payment to the contractor to complete the works.

NORTHERN PROVINCE

62. Periodic Maintenance of 50 km of Agricultural Feeder Roads in Kaputa District

a. Poor Contract Administration

Your Committee was informed that the works did not commence until the commencement order was issued. This was because there were other conditions that were precedent to commencement of works such as submission of the performance bond or submission of insurance for the works. For this contract, the contractor commenced work on 5th January 2016, as stated in the Commencement Order.

However the RDA acknowledged that there was an apparent conflict between the need to commence works after Fourteen (14) days of signing as reflected in Clause GCC 1.1(v) and the need to obtain relevant securities before commencement. For new contracts, the RDA had revised this Clause so that the start date was tied to the issuance of the commencement order and not to the fourteen 14 days after the signing of the contract.

Committee's Observations and Recommendations

Your Committee notes the action by RDA to revise the clause relating to the commencement order being tied to the commencement date. It is your Committee's expectation that this clause will be revised in other future contracts in order to avoid the recurrence of the query. Your Committee resolves to await an update on the completion of the roads as scheduled.

b. Failure to Provide Documentation of the Statement of Financial Position

Your Committee was informed that the bidder submitted financial statements for two (2) years instead of financial statements for three (3) consecutive years. The Evaluation Committee considered this a minor deviation as this was historical data which was requested for at pre-contract negotiation meeting and the bidder submitted the financial statements for 2012.

Committee's Observations and Recommendations

Your Committee is dissatisfied with the justification by the Controlling Officer to down play the importance of providing the most recent financial statement for 2012 during the evaluation stage. Whereas the 2012 financial statements have been purportedly submitted, the award of the contract was highly irregular and at variance with the ZPPA Act section 50(3) 50 (3) which provides that no methodology or criteria, other than those stated in the solicitation document, shall be taken into account and all criteria shall be applied equally to all bids. This action also clearly disadvantaged other potential bidders. Your Committee strongly recommends that the contract should be terminated in order for laid down procurement guidelines to be followed. Your Committee resolves to await a progress report on the termination of the contract and the re-tendering.

63. Upgrading of approximately 61 km of the 201 km of the Mbala to Kasaba Bay Road including 36 km of the access road to Chief Mpande in Northern Province - Irregular Procurement of Works

Your Committee was informed that the RDA considered the award of the contract to the Contractor advantageous on the part of Government as this ensured value for money.

Committee's Observations and Recommendations

Your Committee is alive to the anticipated economic benefits of the road especially in the tourism sector but contends that the award of the contract was highly irregular in that the limited bidding is subject to abuse and disadvantages other potential contractors. In addition, the purported urgency for the commencement of works has not yielded much in that the road works have stalled and the completion period has been adjusted accordingly. Your Committee strongly recommends that the contract should be terminated and re-tendered and the competitive bidder should be awarded the contract in accordance with laid down procurement guidelines. Your Committee resolves to await an update on the matter.

64. Upgrading of Chiengi to Kaputa Road (U2) and Luchinda D77 with 10 Km Urban Roads – Late Engagement of the Supervising Consultant

Your Committee was informed that during the absence of the Supervision Engineer, the Regional Manager had been supervising and managing the contract. However, the process for the engagement of the Supervision Consultant had reached an advanced stage.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been identified before the commencement of any works by the contractor has not been engaged. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specifications by the contractor as promulgated in the contract. Your Committee is dismayed with the justification by the Controlling Officer that the Regional Engineer was able to supervise the works during this period. With the numerous road projects in the province, your Committee contends that the Regional Engineer has no capacity to monitor the works to the required expectation. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should suspend the contract and resume works after the finalisation of the engagement of the consultant. This will reduce the number of defects to be corrected arising from the absence of the consultant. Your Committee resolves to await a progress report.

65. Upgrading to Bituminous Standard of the 151 km of the Kasama to Mporokoso Road, 10 km of the Mporokoso to Kawambwa and 10 km of the Mporokoso to Kaputa Road

a. Increase in the Cost of Contract

Your Committee was informed that the Contract was varied in accordance with the Contract provisions. There was no capping on the amount to be varied in the Contract and this was done in line with the Public Procurement Act and Regulations. The amendments to the contract were justified and all relevant authorities were obtained including clearance by Attorney-General's Office.

Committee's Observations and Recommendations

Your Committee is once again disappointed with the reckless abuse of the absence of the capping in the ZPPA Act by RDA. Your Committee is shocked with the 32.2 percent variation in the cost of the project which also resulted in the variation on the contract for the consultant. This unjustified conduct by RDA if left unchecked may result in a huge debt which the Treasury may fail to offset. Your Committee strongly recommends, as a matter of extreme urgency, that the ZPPA Act should be amended to include a capping threshold of twenty-five percent on variations in order to bring a stop to this abuse of variations by RDA. Your Committee resolves to await a progress report on the matter.

b. Interest Payment Claims by Consultant

Your Committee was informed that the interest claim and termination were provided in the contract and were consequences of delayed or non-payment. The RDA certified the works done as mandated by the Public Roads Act No 12 of 2002 and submitted Payment Certificates to NRFA for payment.

The RDA had no control on the timing of the payments to contractors. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee expresses concern with the unplanned over procurement of road projects by RDA resulting in the delay to pay the consultant on time. The delay to pay the contractor on time has attracted not only the accumulation of interest penalty charges but also the termination of the contract by the consultant. While noting that the RDA has no control on the timing of payment to contractors, your Committee contends that RDA has the control and responsibility that contracts are only signed with the contractors or consultants after the Treasury has confirmed the availability of the funds to avoid unjustified payments arising from failure to pay the consultant on time. Your Committee directs the Controlling Officer to ensure that RDA develops a new work plan to clearly spell out the paying of all outstanding payments. Further, the terminated contract should be re-tendered without any further delay. Your Committee resolves to await an update on the matter.

c. Failure to Provide Key Personnel on Site

Your Committee was informed that due to cash flow challenges, there had been a challenge on most contractors to retain the key personnel as they had been failing to meet their obligation in paying wages on time, resulting from unpaid Interim Payment Certificates. However, the Site Agent had been acting as Contracts Manager.

Committee's Observations and Recommendations

Your Committee is dissatisfied with the engagement of the Site Agent to act as Contract Manager in place of clearly spelt out personnel in the contract. It is the considered view of your Committee that the status quo has contributed to the poor quality of works done. Further, the delay in offsetting the IPC's has not helped matters. The buck stops at RDA who had over procured projects thereby failing to pay their contractual obligations on time. Your Committee urges the Controlling Officer to immediately develop a payment plan as soon as possible in order to enable the adherence to specifications by the contractor. Further, in the interim, officers from RDA should closely monitor this project in order to guarantee quality of works. It is also being directed that once the contractor has been paid the funds, a review of works should be conducted in order for any highlighted defects are addressed without any delay. Your Committee resolves to await a progress report on the matter.

d. Failure to Renew Insurance Policies

Your Committee was informed that the contractor has since renewed the insurance covers and these were available for scrutiny.

Committee’s Observations and Recommendations

Your Committee notes the response but urges the Controlling Officer to ensure that all running contracts should have up-to-date risk and insurance policy cover in order to avoid the recurrence of the query. Your Committee resolves to close the matter subject to audit verification.

e. Physical Inspection

i. Visual Inspection and 3m Straight Edge

Your Committee was informed that the Kasama to Mporokoso Road was 151 km project and at the time of inspection, approximately 95 km had been surfaced. The Supervision Engineer had noted these localised surface irregularities over a distance of 400 m and had already instructed the contractor to correct these defects. The Contractor had commenced works on the defects though cash flow was affecting his progress.

Committee’s Observations and Recommendations

Your Committee notes the remedial action taken by RDA to have the highlighted surface irregularities corrected. Your Committee resolves to await a progress report on the correction of all the defects.

ii. Stabilised Base Coring

Your Committee was informed that the tolerance for thicknesses of pavements should be plus or minus 30 mm for shoulders or plus or minus 27 mm for bases or sub bases in accordance with Clause 3405 (b) of the SATCC.

Further, according to Clause 7205 (b) of the SATCC specifications, at least 30, but preferably more, layer thicknesses shall be determined in accordance with a stratified random pattern for each lot of completed layer work. Layer thicknesses may be determined by means of level measurements taken before and after construction of the layer in exactly the same position, but may be augmented by thicknesses measurements taken by means of holes made in the layer. It states that the lot would be considered to comply with the requirements for layer thicknesses if of these 30:-

- i. at least 90 percent of all the thickness measurements taken before any thickness repairs were made were equal to or greater than the specified thickness, minus the D_{90} tolerance specified in the appropriate section and;
- ii. the mean layer thickness of the lot was not less than the specified thickness, minus the D_{mean} tolerance. Isolated spots where the actual thickness was less than the specified thickness less the D_{max} tolerance shall be repaired so as to fall within the D_{90} tolerance.

The tolerances being

	D_{90}	D_{max}	$D_{average}$
Selected layer.....	30 mm	40 mm	10 mm
Subbase.....	21 mm	27 mm	5 mm
Base.....		21 mm	27 mm
			5 mm

Wearing course.....	-	30 mm	0 mm
Shoulders.....	-	30 mm	0 mm

However, there was only one sample taken and, therefore, the sample size fell below the 30 required per lot for a conclusive analysis. The RDA agreed with the auditors to carryout up to ten measurements per project. This was to minimise the destruction to the roads since these thickness measurements were destructive.

Committee’s Observations and Recommendations

Your Committee is disappointed that whereas the sampling size of the coring tests conducted may not give a precise position on the adherence to specifications by the contractor, your Committee contends that had the contractor been providing the supervision as expected, the findings could have been availed to the auditors. Further, given that RDA was part of the assessment done by the auditors during the audit, and that the findings were not disputed then, your Committee directs that the highlighted defects should be corrected without any further delay. Your Committee resolves to await a progress report on the matter.

iii. Road Signs Retro Reflectivity

Your Committee was informed that the industrial practice in accepting retro reflectivity of road signs in Zambia had mainly been based on engineering judgment. The use of the 922 field retro reflectometer by the auditors was, therefore, new practice in Zambia, but the RDA would pursue the utilisation of this equipment to test retro reflectivity of road signs.

However, according to SABS 1519, which was specified by SATCC, the reflectivity differed depending on the colour of the material used. SABS 1519, and the contract document specified that the measurement should be taken from an observation angle of 0.3 degrees and an entrance angle of 5 degrees. However, the equipment used for this test only allowed for an observation angle of 0.2 and 0.5 degrees instead of the 0.3 degrees specified in SABS 1519, and the contract. Therefore, a conclusion cannot be made on this basis.

Committee’s Observations and Recommendations

Your Committee expresses concern with the varying positions regarding the matter which ordinarily should have been resolved during the audit process. Your Committee directs that the Controlling Officer should recommend the equipment to be used on the Retro Reflectivity test to be re-done in order to resolve the matter. Your Committee resolves to await a progress report on the matter.

66. Periodic Maintenance of 86 km from Chambeshi Bridge to Kasama Lot 2 Including 10 km of Urban Roads in Kasama Town

a. Failure to Pay Advance Payment on Time

Your Committee was informed that the RDA certified the works done as mandated by the Public Roads Act No 12 of 2002, and submitted Payment Certificates to NRFA for payment.

The RDA had no control on the timing of the payments to contractors. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee expresses worry with the delay in paying the contractor an advance payment despite meeting the stipulated requirements. This conduct by RDA of signing contracts without the confirmation on the availability of funds by the Treasury may result in the accumulation of interest and penalty charges as well as the delay to complete works as scheduled. Your Committee urges the Controlling Officer to ensure that RDA immediately develops a payment plan as soon as possible in order to enable the contractor fully mobilise and commence works. Your Committee resolves to await a progress report on the matter.

b. Failure to Pay Contractor on Time

Your Committee was informed the RDA certified the works done as mandated by the Public Roads Act No 12 of 2002, and submitted Payment Certificates to NRFA for payment. The RDA had no control on the timing of the payments to the contractors. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee regrets that yet again, there was delay in paying the contractor on time. It is the considered view of your Committee that the delay to pay the contractor on time results in the accumulation of interest and penalty charges as well as the delay to complete works as scheduled. This action, further demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. In addition, your Committee urges the Controlling Officer to ensure that RDA strictly adheres to its approved annual work plans to avoid the recurrence of the matter. Your Committee resolves to await an update on the payment to the contractor to complete the works.

c. Failure to Engage Consultant

Your Committee was informed that a consultant had been engaged to carry out a detailed design though progress for both the design and works had been slow due to cash flow challenges. Further, the progress of the initial contract with CADG was slow due to cash flow challenges and not necessarily due to lack of design. It should be noted that CADG had been instructed to carry out other periodic maintenance works that did not require a detailed design as the works such as pothole patching, resealing, crack repair that were to be carried out on the existing road alignment. In addition, subcontractors had been nominated, but were not given work due to cash flow challenges of the main contractor.

Committee's Observations and Recommendations

Your Committee reiterates that no justification is acceptable for failure to engage a consultant before the commencement of works. In addition, this action is at variance with Section 7 (3) of the *Public Finance Act*. Your Committee urges the Controlling Officer to ensure that the engaged consultant should ensure that the designs are submitted and approved before the commencement of works by the contractor to avoid compromising quality of works. Further, the full list of engaged sub-contractors should be compiled and submitted for verification. Your Committee resolves to await a progress report on the matter.

d. Questionable Procurement Method on Works Contract

Your Committee was informed that the RDA proceeded to single source China Geo on the basis of the approval from ZPPA.

Committee's Observations and Recommendations

Your Committee is alarmed with the extent of discretion being used by ZPPA in authorising direct bidding. While it is noted that the matter was a purported emergency, the works have not been concluded thereby making the whole matter highly questionable. Further, while ZPPA has the mandate to authorise single sourcing were applicable, your Committee contends that these powers are not absolute but subject to other considerations. In addition, your Committee wonders why only China Geo was awarded the contract without any justification when other competitive contractors were not considered. Your Committee strongly urges the Controlling Officer to report the matter to the investigative wings in order to establish the full details of this irregularity. Your Committee resolves to await a progress report on the matter.

LUAPULA PROVINCE

67. Upgrading of the Samfya to Kasaba Bay Via Lubwe Road

a. Failure to Pay the Contractor on Time

Your Committee was informed that the RDA certified the works done as mandated by the Public Roads Act No 12 of 2002, and submitted Payment Certificates to NRFA for payment. The RDA had no control on the timing of the payments to contractors.

However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee regrets that there was delay in paying the contractor on time. It is the considered view of your Committee that the delay to pay the contractor on time results in the accumulation of interest and penalty charges as well as the delay to complete works as scheduled. This action, further demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to the contract. In addition, your Committee urges the Controlling Officer to ensure that RDA strictly adheres to its approved annual work plans. Your Committee resolves to await an update on the payment to the contractor to complete the works.

b. Late Recruitment of the Supervising Consultant

Your Committee was informed that during the absence of the supervising engineer, the Regional Manager had been supervising and managing the contract. However, the process for the engagement of the Supervision Consultant had reached an advanced stage, but this process had been slowed down as a result of the identified consultant claiming to be paid outstanding payments on other projects.

Committee's Observations and Recommendations

Your Committee expresses concern with the management of road contracts by RDA. It is shocking that the consultant, who ordinarily should have been engaged before the commencement of any works by the contractor, has not been engaged fourteen months after the signing of the contract. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specifications by the contractor as promulgated in the contract. Your Committee is dismayed with the justification by the Controlling Officer that the Regional Engineer was able to supervise the works during this period. With the numerous road projects in the province, your Committee contends that the Regional Engineer has no capacity to monitor the works to the required expectations. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should suspend the contract and resume works after the finalisation of the engagement of the consultant. This will reduce the number of defects to be corrected arising from the absence of the consultant. Your Committee resolves to await a progress report

c. Physical Inspection

Your Committee was informed that the progress on the project had been affected due to cash flow constraints and the Ministry of Infrastructure Development would continue to engage the Ministry of Finance for the timely release of project funds.

Committee's Observations and Recommendations

Your Committee notes the current status but urges the Controlling Officer to ensure that the payment to the contractor is done promptly to avoid the accumulation of standing time charges and other interest penalties. Your Committee resolves to await a progress report on the matter.

68. Upgrading to Bituminous Standard of 70 km of the Pedicle Road (Mokambo to Chembe)

a. Single Sourcing (Direct Bidding) of Contractor

Your Committee was informed that Copperfield Mining Services Limited had been single sourced on the basis that they were the main subcontractor contracted to carry out the works by Fratelli Locci and had mobilized their equipment and personnel on site. Other considerations were that this contractor was Zambian and remained on site when Fratelli Locci had abandoned the works. Therefore, for continuity, RDA elected to engage them as main contractors in line with the Public Procurement Act No 12 Section 32 subsection 2 (c) which states that "additional goods, works or services must be procured from the same source because of the need for compatibility, standardization or continuity". The Contractor submitted a bid and was evaluated. This section of the act does not relate to procurement through competition only but also relates to direct bidding. The necessary authorities from RDA Procurement Committee and ZPPA were obtained.

Committee's Observations and Recommendations

Your Committee is alarmed with the extent of discretion being used by ZPPA in authorising direct bidding in this manner. While it is noted that the RDA took into consideration the patience exhibited by the contractor during the period Fratelli Locci abandoned the works, this does not justify the action which completely disadvantaged other potential contractors. Further, while ZPPA has the mandate to authorise single sourcing, your Committee contends that these powers are not absolute but subject to other considerations. Your Committee sternly cautions the Controlling Officer to ensure that RDA management adheres to laid down procurement guidelines as opposed to taking advantage of procurement lapses to disadvantage other potential contractors. In addition, the Secretary to the Treasury is urged to censure ZPPA management for this act. Your Committee will await an update on the matter.

b. Termination of Consultancy Contract

Your Committee was informed that the suspension of works was from 21st January 2016, to 17th May 2016. Works were suspended to avoid the Contractor carrying out

works without supervision by the consultant. Presently, individual Consultants had been appointed to supervise the remaining works of approximately 30km.

Your Committee was informed that the suspension of works was from 21st January, 2016, to 17th May, 2016. Works were suspended to avoid the Contractor carrying out works without supervision by the consultant. Presently, individual Consultants had been appointed to supervise the remaining works of approximately 30km.

Committee's Observations and Recommendations

Your Committee expresses concern with the engagement of individual consultants to supervise the remaining works whose credentials were not availed to the auditors during the audit process. Further, no details have been availed as to the criteria used in engaging the consultants. It is worrying that the lack of full details on the consultants may result in poor works being done. Your Committee directs the Controlling Officer to submit the full details of the individual consultants engaged to supervise the remaining works in order to ascertain their suitability for the job. In addition, RDA should attach officers to the project in order to ensure strict adherence to the specifications as espoused in the contract. Your Committee also urges the Controlling Officer to ensure management at RDA desists from engaging individual consultants in future. Your Committee resolves to await an update on the completion of the remaining works.

c. Delayed Completion of Road Works

Your Committee was informed that the Contractor was engaged in accordance with the Public Procurement Act No 12, Section 32 Subsection 2(c) regulation for direct bidding and necessary approvals were obtained from ZPPA and the Attorney-General.

The contractor demonstrated adequate capacity to carry out the works during evaluation as well as their performance on the project. The delays on the project were largely attributed to cash-flow challenges and difficulties in operating in a foreign country referred to earlier. Further, the cash-flow challenges also affected the supervision contract which was terminated by the consultant due to non-payment.

Committee's Observations and Recommendations

Your Committee notes the challenges that have contributed to the delay in completing the project as scheduled. While the issue of operating in a foreign country is legitimately accepted as a challenge, your Committee contends that by and large, the failure to pay the contractor on time is the main reason for this delay. Your Committee is alive to the anticipated economic benefits this road will bring once complete and directs that the new payment plan by RDA to contractors should prioritise this road without any hesitation. Your Committee resolves to await an update on the matter.

d. Change of Key Personnel without RDA Approval

Your Committee was informed that at the time of the visit by the auditors, the contractor was experiencing challenges with personnel replacement resulting from the high staff turnover. The challenges owed to the high staff turnover were largely due to erratic project funding.

Committee's Observations and Recommendations

Your Committee finds the justification by the Controlling Officer regarding the replacement of key personnel by the contractor without RDA approval misplaced. This explains why the quality of works is generally poor due to the weak monitoring by RDA. Your Committee directs that the Controlling Officer should ensure that the contractor submits the full list of replaced key personnel for approval without any further delay. In addition, your Committee urges the Controlling Officer to ensure that all contractors who change personnel without seeking prior approval from RDA, are dealt with appropriately. Your Committee resolves to await an update on the matter.

e. Failure to Maintain Temporary Traffic Road Signs for Accommodation of Traffic

Your Committee was informed that the temporary road signs to accommodate traffic during construction had been vandalised. However, the Contractor was currently installing permanent road signs and undertaking road making on the section from km 0+000 to km 33+000.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure that the installation of permanent road signs is concluded without any further delay. The compiled report on the road signs should be submitted to the Office of the Auditor General for verification. Your Committee resolves to await for an update on the matter.

f. Increase in Consultancy Contract Sum Due to Extension of Time

Your Committee was informed that the project had been affected by site access encumbrances and sources of some construction materials such as crushed stone base which were hauled over a long distance. The RDA engaged the ZRA and Immigration Department to help out on this and there was an improvement. However, there were still challenges as the Contractor had his explosives confiscated and he had to close the site. Following the extension of time granted on the Works Contract, the supervision was required as well. Therefore, there was a need to extend the Consultancy Contract as well.

Committee's Observations and Recommendations

Your Committee contends that while the challenges facing the contractor are noted, RDA should have put in mitigating measures before the implementation of the project had it done some due diligence on the matter. With the huge financial debt owed to contractors, additional costs should be avoidable. Your Committee urges the Controlling Officer to avoid such additional costs. Your Committee resolves to close the matter.

g. Physical Inspection

Your Committee was informed that the contractor had reconstructed the base and asphalt in the affected section.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Office of the Auditor General to note the matter in future verifications.

69. Rehabilitation and Upgrading of the Kawambwa-Mushota-Luwingu Road and the Chisembe-Chibote-Chief Chama road in Luapula Province

a. Late Engagement of the Supervising Consultant

Your Committee was informed that owing to the urgency with which the Government wanted to execute the project, the RDA awarded the works contract ahead of the supervision contract by one and a half months. The findings of the Audit were well noted and management would endeavour to ensure that supervision contracts were awarded well ahead of the works contracts. However, the first three months of the Contractor commencing the works, mostly related to mobilisation of staff, plant and equipment with no meaningful construction works going on.

Committee's Observations and Recommendations

Your Committee expresses concern with the late engagement of the supervising consultant who ordinarily should have been engaged before the commencement of any works by the contractor. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specifications by the contractor as promulgated in the contract as well the huge variation of works. Your Committee is at a loss to appreciate the justification by the Controlling Officer that the reason for the lapse was the urgency with which the Government wanted to execute the project when the project has since stalled. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that the contract for the supervising consultant is submitted for verification without any delay. Further, and in an effort to avoid the recurrence of this query, the Controlling Officer is urged to ensure that all road projects without formal contracts by supervising consultants are normalised and submitted in order to avoid similar queries in future. Your Committee resolves to await a progress report on the matter.

b. Failure to Pay the Contractor on Time

Your Committee was informed that the RDA certified the works done as mandated by the Public Roads Act No 12 of 2002, and submitted payment certificates to NRFA for payment. The RDA had no control on the timing of the payments to contractors. However, the Ministry of Housing and Infrastructure Development shall continue to engage the Ministry of Finance to ensure that funding for road projects was provided.

Committee's Observations and Recommendations

Your Committee regrets that yet again, there was delay in paying the contractor on time. It is the considered view of your Committee that the delay to pay the contractor on time results in the accumulation of interest and penalty charges as well as the delay to complete works as scheduled. This action further demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to this contract. Your Committee also urges the Controlling Officer to ensure that RDA strictly adheres to its approved annual work plans. Your Committee resolves to await an update on the payment to the contractor to complete the outstanding works.

c. Lack of Detailed Engineering Drawings

Your Committee was informed that detailed designs and drawings were prepared and were available at the time of tendering for the works. Messrs BCHOD was appointed to undertake a design review of the existing design and supervision of the works. Therefore, the contractor commenced works on the first section of the road by carrying out pothole patching and resurfacing works while the Consultant finalised the design review process. The design review exercise was necessary for the second section which was later attended to by the Contractor after finalising works on the first section.

Committee's Observations and Recommendations

Your Committee contends that had RDA availed the purported engineering designs and drawings during the audit process, the matter could have been resolved then. While noting the update, your Committee urges the Controlling Officer to closely supervise management at RDA in order to ensure that all requisite engineering designs and drawings are approved before the contractor mobilises to avoid the recurrence of the query. Your Committee urges the Controlling Officer to submit the designs and drawings to the Office of the Auditor General subject to which the matter should be closed.

d. Lack of Capacity – Local Contractors

Your Committee was informed that any works subcontracted remained the responsibility of the main contractor. However, the RDA acknowledged that there were challenges with the technical and financial capacity of subcontractors. In order to address these challenges, the RDA and NRFA introduced the Construction Finance Initiative, (CFI). The CFI was introduced for the following reason:

- To explore alternative avenues for acquisition of plant and equipment by local contractors from suppliers through a special facility promoted by RDA/NRFA in collaboration with banks and equipment suppliers;
- to spearhead and strengthen the bargaining power of contractors in lower Grades in their acquisition of Advance Payment Guarantees, Performance Guarantees/Bonds, Bid Bond and Construction Equipment; and
- inclusion of Project Management and Fund Management Oversight to aid local contractors.

The RDA and NRFA had since signed memoranda of understanding with financial institutions and equipment suppliers. These memoranda were available for scrutiny. Further, the new Subcontracting Guidelines provided for the employment of a subcontract Manager whose role would be to assist the subcontractor with Project Management as a capacity building measure. The guidelines had also outlined specific penalties to be applied in an event of Subcontractors "selling" their subcontracts.

The one year extension of time requested by the contractor owing to the shoddy works of the subcontractors was not granted by RDA.

Committee's Observations and Recommendations

Your Committee notes the progressive innovations put in place by RDA in an effort to support local sub contractors who face numerous financial challenges mainly due to lack of equipment. It is the expectation of your Committee that the developed interventions will be implemented to the latter. Further, your Committee also notes the stance taken by RDA for not extending the contract period by the contractor for failure to address the shoddy works by the subcontractors. Your Committee urges the Office of the Auditor General to verify the guidelines and resolves to await an update on the matter.

e. Delayed Decision on Variation Order

Your Committee was informed that the VO No. 2 referred to as VO No. 1 above by the auditors which was approved in July 2015, could not be approved just after submission by the contractor because it contained quantities that were not yet reviewed by the consultant. As such, a due diligence had to be undertaken at the request of the RDA Procurement Committee to verify the Variation Order.

Committee's Observations and Recommendations

Your Committee expresses concern that the lack of engineering designs and drawings resulted in the additional costs amounting to K115,398,842. It is the considered view of your Committee that had the engineering designs and drawings been done before the commencement of works by the contractor, the variation could have been avoided. Your Committee sternly cautions the Controlling Officer to ensure management at RDA desists from this practice and brings to a stop the commencement of works by contractors in the absence of approved engineering designs and drawings. Your Committee resolves to await the update on the matter.

70. Design and Construction/Upgrading of Mansa - Luwingu (M3) Road (175 km) in the Luapula and Northern Provinces and 30 km of Township Roads in Mansa and Luwingu

a. Unjustified Procurement Method – Single Sourcing (Direct Bidding)

The Controlling Officer submitted that this was an export credit loan from China Exim Bank facilitated by China Henan which meant that the contractor that facilitated the loan would be considered to undertake the works. Government requested the RDA to implement this project. The RDA obtained the necessary approvals from both ZPPA and the Treasury.

Committee's Observations and Recommendations

Your Committee is alarmed with the extent of discretion being used by ZPPA in authorising direct bidding in this manner. While it is noted that the financing of this was a credit loan from China's Exim Bank and that the contractor who facilitated for the loan was to be considered to undertake the works, this arrangement is highly irregular in that it compromises the acceptable procurement procedure. Further, while ZPPA has the mandate to authorise single sourcing, your Committee contends that these powers are not absolute but subject to other considerations. Your Committee sternly cautions the Controlling Officer to ensure that RDA management adheres to laid down procurement guidelines as opposed to taking advantage of procurement lapses to disadvantage other potential contractors. Further, your Committee urges the Secretary to the Treasury to censure ZPPA management for this omission. Your Committee resolves to await a progress report on the matter.

b. Failure to Subject Sub-contractor to Competitive Bidding

Your Committee was informed that Clause 7.1 of the General Conditions of Contract allowed for the Contractor to subcontract with the approval of the Project Manager and does not relate to the engagement of subcontractors through a competitive process.

Committee's Observations and Recommendations

Your Committee contends that the method of using domestic and nominated sub contractors by RDA is subject to manipulation and abuse if left unchecked. In this vein, your Committee expects that the revised methodology of engaging sub contractors through bidding will create competition and avoid the recurrence of the query. Your Committee strongly recommends that the revised guidelines should be implemented forthwith to avoid similar queries. Your Committee resolves to close the matter subject to audit verification.

c. Consultancy Awarded to a Non Responsive Bidder

Your Committee was informed that the Re-Evaluation Report and the minutes of the RDAPC was attached for scrutiny.

Committee's Observations and Recommendations

Your Committee expresses concern with the poor management of documents at RDA. Your Committee contends that had the custody of documents at RDA been in order, the matter could have been resolved during the audit process. Your Committee urges the Controlling Officer to enhance record keeping at RDA in order to avoid the recurrence of similar challenges. Your Committee resolves to close the matter subject to audit verification

d. Physical Inspections - Road Signs Retro Reflectivity

Your Committee was informed that while the specifications of the Retro-Reflectivity were contained in the contract, the test equipment itself was not specified and listed as standard laboratory equipment. The industrial practice in accepting retro reflectivity of road signs in Zambia had mainly been based on engineering judgment. The use of the 922 field retro reflectometer by the auditors was, therefore, a new practice in Zambia.

According to SABS 1519, which was specified by SATCC, the reflectivity differs depending on the colour of the material used. SABS 1519 and the contract document specified that the measurement should be taken from an observation angle of 0.3 degrees and an entrance angle of 5 degrees. However, the equipment used for this test only allowed for an observation angles of 0.2 and 0.5 degrees instead of the 0.3 degrees specified in SABS 1519 and the contract.

Committee's Observations and Recommendations

Your Committee expresses concern with the varying positions regarding the matter which ordinarily should have been resolved during the audit process. Your Committee directs that the Controlling Officer should recommend the equipment to be used to re-do the Road Signs Retro Reflectivity test. This should be done with Auditor General's Office in order to have the matter resolved. Your Committee resolves to await a progress report on the matter.

71. Periodic Maintenance of 245 km of the Road Section from Mansa to Nchelenge

The Committee was informed that RDA engaged H.P. Gauff Ingenieure as a consultant at a contract sum of K3,370,960 with a contract duration of nineteen (19) months commencing on 1st August 2012.

The construction works started on 15th August 2012 with a completion date of 18th September 2013 which was revised to 1st October 2013. As of June 2015, at the time of the audit, the project had been completed and the final completion certificate was issued on 15th October 2014.

Committee's Observations and Recommendations

Your Committee expresses concern that the purported evaluation report was not availed to the auditors during the audit process. This brings to question its authenticity and validity considering the period that has lapsed. Your Committee urges the Controlling Officer to take the audit process seriously and provide all documentation requested by auditors during the audit process to avoid the recurrence of the query. Your Committee

will not lightly such conduct by RDA in future audits. Your Committee will await an update on the matter.

a. Questionable Selection of Bidder

Your Committee was informed that the Evaluation Report was available for scrutiny.

Committee's Observations and Recommendations

Your Committee expresses concern that the purported evaluation report was not availed to the auditors during the audit process. This brings to question its authenticity and validity considering the period that has lapsed. Your Committee urges the Controlling Officer to take the audit process seriously and provide all documentation requested by auditors during the audit process to avoid the recurrence of the query. Your Committee will not lightly such conduct by RDA in future audits. Your Committee will await an update on the matter.

b. Poor Contract Management - Delay in Approving Variation of Works

Your Committee was informed that the receipt of approval for variation order from the Attorney-General was delayed which consequently affected the signing date of the addendum. Nonetheless, all the approvals and authorities were given when the contract was still in effect.

Committee's Observations and Recommendations

Your Committee notes the response and resolves to close the matter subject to audit verification.

EASTERN PROVINCE

72. Nacala Road Corridor Project (Phase II) - Wasteful Expenditure

Your Committee was informed that the RDA certified the works/services done as mandated by the Public Roads Act No. 12 of 2002 and submitted payment certificates/invoices to NRFA for payment.

The RDA processed the Contractor's IPC on time, however, RDA had no control on the timing of the payments to contractors as this process also hinged on the turnaround time by NRFA and subsequently AfDB. Further to the above, part of this claim related to tax refunds resulting from imported materials and equipment in the favour of the contractor following the signing of a VAT exclusive works contract. These were, however, rejected by the AfDB leading to accrued interest to the Contractor following a lapse in time necessary to offset the payment which was due to the Contractor. However, the Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance and the African Development Bank to ensure that the funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee expresses concern with the poor co-ordination between RDA and NRFA resulting in the wasteful expenditure. It is regrettable that with the numerous financial debt that the Treasury is grappling with, amounts totalling K644,275 were paid to the contractor which were avoidable had RDA and NRFA co-ordinated their activities in a methodical manner. Further, the Controlling Officer is urged to ensure that RDA is thorough in the preparation of contracts which are funded by donors to avoid unjustified payments which ordinarily should be borne by the donor. In this regard, your Committee urges the Controlling Officer to take deliberate steps in ensuring that the weak co-ordination between RDA and NRFA is strengthened in order to avoid further loss of public funds through wasteful expenditure. Your Committee resolves to close the matter.

73. Upgrading of Chipata – Vubwi – Chadiza Road: Contract No. ZPPA/CE/023/012: Lot 1

a. Late Recruitment of the Supervising Consultant

Your Committee was informed that the Government wanted to commence works urgently according to Phase I of the Link Zambia 8000 Programme. This implied that the process for the engagement of the works contract and supervision contract had to commence at the same time. However, the process for the engagement of a Consultant was a two-stage procurement process and took longer than that for the works which was only a one-stage process. This, therefore, implied that the works contractor got engaged earlier than the supervising consultant. In the absence of the supervising consultant, the Regional Manager, Eastern Province, supervised the works.

Committee's Observations and Recommendations

Your Committee expresses concern with the late engagement of the supervising consultant who ordinarily should have been engaged before the commencement of any works by the contractor. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specifications by the contractor as promulgated in the contract as well the huge variation of works. Your Committee is at a loss to appreciate the justification by the Controlling Officer that the reason for the lapse was the urgency with which the Government wanted to execute the project when the project has since stalled. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that the contract for the supervising consultant is submitted for verification without any delay. Further, and in an effort to avoid the recurrence of this query, the Controlling Officer is urged to ensure that all road projects without formal contracts by supervising consultants are normalised and submitted in order to avoid similar queries in future. Your Committee resolves to close the matter subject to audit verification.

b. Lack of Detailed Engineering Drawings

Your Committee was informed that the upgrading of Chipata – Vubwi – Chadiza Road which was part of Phase I of the Link Zambia 8000 Programme had commenced on a 'design and build' basis. This implied that detailed designs were not in place by the time of tendering. The tendering was based on preliminary designs. Using this accelerated method of implementation, the appointed Consultant would be required to deliver designs to the Contractor to execute in packages of about 10 to 20 km. Whilst this

method shortens the implementation cycle of the project by eliminating the time a consultant should take to undertake detailed design (12 to 18 months), and approximately 6 months for design review prior to tendering for works, it exposed the RDA to high risks of cost escalations due to the fact that the real scope, cost and timeframe for the project was unknown.

However, under Phase II of the Link Zambia 8000 Programme, RDA was ensuring that designs and drawings were provided in good time before commencement of works. It was worth mentioning that the Consultant had since submitted the Final Design Report.

Committee's Observations and Recommendations

Your Committee contends that the commencement of works by contractors in the absence of detailed engineering designs and drawings has a ripple effect not only on the contract sum for the project, but also on the contract of the supervising consultant. It is regrettable that arising from this omission by RDA, the contract sum for the project was varied by K76,826,038 while that of the consultant was adjusted from K22,617,197 to K42,311,536, respectively. This demonstrates the consistent observation by your Committee that it is procedurally incorrect to commence works in the absence of detailed engineering designs and drawings. Your Committee urges the Controlling Officer to ensure that the implementation of Phase II of the Link Zambia 8000 does not have the repetition of this serious omission. Further, the revision of the ZPPA Act with regard to legislating the capping of variations to twenty-five percent should be expedited to bring the anomaly to a stop. Your Committee resolves to await an update on the revision of the ZPPA Act.

c. Failure to Pay Contractor on Time

Your Committee was informed that the RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002 and submitted payment certificates/invoices to NRFA for payment.

The RDA had no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee regrets that there were delays in paying the contractor on time. It is the considered view of your Committee that the delay to pay the contractor on time results in the accumulation of interest and penalty charges as well as the delay to complete works as scheduled. This action further demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA

should develop a new well structured payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to this contract. Your Committee resolves to await an update on the payment to the contractor to complete the outstanding works.

d. Inadequate Material Testing Laboratory Equipment

Your Committee was informed that the equipment had been purchased and delivered including the Troxler equipment.

Committee's Observations and Recommendations

Your Committee regrets that the equipment was only purportedly purchased following the findings by the auditors during the audit process. Your Committee wonders how quality control was done during the period when the equipment was not purchased. In light of this and in an effort to correct the anomaly, your Committee directs that the Controlling Officer should ensure that appropriate provisions in the contract arising from the failure by the contractor to purchase the equipment should be invoked without any further delay. Further, the works done must be verified with the purchased equipment so as to ensure that specifications were adhered to. Your Committee resolves to await a progress report on the matter.

e. Physical Inspection

Your Committee was informed that only two cores out of the six measurements done using the coring test was within the tolerance for thicknesses which should be plus or minus 27mm for the base or sub-base and plus or minus 30 mm for the shoulders in accordance with clause 3405(b) of the SATCC.

According to best practice, the minimum acceptable sample size required to obtain a conclusive analysis of results per Lot was 30 in line with Clause 7205(b) of the SATCC specifications. It was deemed to be undesirable to undertake the minimum 30 because of the destructive nature of the test. The fact that cores were extracted, though crumbled in certain cases, was evidence to show cement stabilisation was done. However, to determine the quantity of cement added to a pavement layer during stabilisation requires the cement content test in line with SATCC Clause 7109 (Tests relating to chemical stabilisation). Based on the tests that were done, it would be difficult to establish whether there was adequate or inadequate cement in the base material.

Layer thicknesses may be determined by means of level measurements taken before and after construction of the layer in exactly the same position, but may be augmented by thicknesses measurements taken by means of holes made in the layer. It stated that the lot would be considered to comply with the requirements for layer thicknesses if of these 30:-

- (i) at least 90% of all the thickness measurements taken before any thickness repairs were made were equal to or greater than the specified thickness, minus the D90 tolerance specified in the appropriate section and;

(ii) the mean layer thickness of the lot was not less than the specified thickness, minus the Dmean tolerance. Isolated spots where the actual thickness was less than the specified thickness less the Dmax tolerance shall be repaired so as to fall within the D90 tolerance.

The tolerances being

	D90	Dmax	Daverage
Selected layer.....	30 mm	40 mm	10 mm
Subbase.....	21 mm	27 mm	5 mm
Base.....	21 mm	27 mm	5 mm
Wearing course.....	-	30 mm	0 mm
Shoulders.....	-	30 mm	0 mm

However, the sample size fell below the 30 thickness samples required per lot for a conclusive analysis.

Committee’s Observations and Recommendations

Your Committee is disappointed that whereas the sampling size of the coring tests conducted may not give a precise position on the adherence to specification by the contractor, your Committee contends that had the contractor been providing the supervision as expected, the findings could have been availed to the auditors. Further, your Committee finds the reasons advanced by RDA on their reluctance to accept the results by the auditors unfortunate, given that they were part of the tests. Your Committee, therefore, directs that the highlighted defects should be corrected without any further delay. Your Committee resolves to await a progress report on the matter.

74. Chipata – Chadiza – Katete Road (Lot 2)

a. Lack of Detailed Engineering Drawings

Your Committee was informed that the upgrading of Chipata – Chadiza – Katete Road (Lot 2) Road which was part of Phase I of the Link Zambia 8000 Programme had commenced on a ‘design and build’ basis. This implied that detailed designs were not in place by the time of tendering. The tendering was based on preliminary designs. Using this accelerated method of implementation, the appointed Consultant would be required to deliver designs to the Contractor to execute in packages of about 10 to 20 km. Whilst this method shortened the implementation cycle of the project by eliminating the time a consultant should take to undertake detailed design (12 to 18 months), and approximately 6 months for design review prior to tendering for works, it exposed the RDA to high risks of cost escalations due to the fact that the real scope, cost and timeframe for the project was unknown.

However, under Phase II of the Link Zambia 8000 Programme, the RDA was ensuring that designs and drawings were provided in good time before commencement of works. The Consultant had since submitted the Final Design Report.

Committee's Observations and Recommendations

Your Committee contends that the commencement of works by contractors in the absence of detailed engineering designs and drawings has a ripple effect not only on the contract sum for the project, but also on the contract of the supervising consultant. Your Committee contends that the commencement of works in the absence of detailed engineering designs and drawings may result in the huge variations. Your Committee urges the Controlling Officer to ensure that the implementation of Phase II of the Link Zambia 8000 does not have the repetition of this serious omission. Further, the revision of the ZPPA Act with regard to legislating the capping of variations to twenty-five percent should be expedited to bring the anomaly to a stop. Your Committee resolves to await the update on the revision of the ZPPA Act.

b. Late Engagement of the Supervising Consultant

Your Committee was informed that the Government wanted to commence works urgently, such as Phase I of the Link Zambia 8000 Programme. This implied that the process for the engagement of the works contract and supervision contract had to commence at the same time. However, the process for the engagement of a Consultant was a two-stage procurement process and took longer than that for the works which was only a one-stage process. This, therefore, implied that the works contractor got engaged earlier than the supervision consultant. In the absence of the supervision consultant, the Regional Manager for Eastern Province supervised the works.

Committee's Observations and Recommendations

Your Committee expresses concern with the late engagement of the supervising consultant who ordinarily should have been engaged before the commencement of any works by the contractor. This conduct not only explains the poor works done by the contractor but is also in contravention of Section 7 (3) of the *Public Finance Act of 2004*. Further, this action has potential to compromise the adherence to specification by the contractor as promulgated in the contract as well the huge variation of works. Your Committee is at a loss to appreciate the justification by the Controlling Officer that the reason for the lapse was the urgency with which the Government wanted to execute the project when the project has since stalled. In view of the foregoing, your Committee strongly recommends that the Controlling Officer should ensure that the contract for the supervising consultant is submitted for verification without any delay. Further, and in an effort to avoid the recurrence of this query, the Controlling Officer is urged to ensure that all road projects without formal contracts by supervising consultants are normalised and submitted in order to avoid similar queries in future. Your Committee resolves to close the matter subject to audit verification.

c. Failure to Pay Contractor on Time

Your Committee was informed that the RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002 and submitted payment certificates/invoices to NRFA for payment.

The RDA had no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee regrets that there was delay in paying the contractor on time. It is the considered view of your Committee that the delay to pay the contractor on time results in the accumulation of interest and penalty charges as well as the delay to complete works as scheduled. This action further demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to this contract. Your Committee resolves to await an update on the payment to the contractor to complete the outstanding works.

d. Irregular Variation of Scope of Works

Your Committee was informed that the error was not detected during the evaluation process. The error was brought to the RDA's attention later after the contract had been signed and this led to the issuance of an Addendum.

Committee's Observations and Recommendations

Your Committee is alarmed with the laxity by RDA to terminate this contract where it is evident that the action by the contractor of deliberately omitting 60 Km's of the road thereby making the company succeed in the bidding was highly irregular. Your Committee contends that the non action by RDA even after the matter was brought to their attention is highly suspicious and may suggest that there was possible collusion between RDA management and the contractor. Your Committee strongly urges the Controlling Officer to immediately terminate this contract and possibly pick the next

successful bidder. In addition, all the officers at RDA involved in this omission should be surcharged. Further, the matter should be reported to the investigative wings for more scrutiny in order to establish what transpired. Your Committee resolves to await a progress report on the matter.

75. Upgrading of Approximately 104 km of D104/D791 Chipata to Mfuwe

a. Questionable Variation

Your Committee was informed that the RDA decided to grant the additional works on this contract as it was considered cost effective than going to tender because the mobilisation cost was cheaper. At the time, Sable Transport Limited was the only contractor mobilised in the area capable of undertaking the works in Mfuwe. The initial scope of works were substantially complete and in the process of being handed over while the additional works were ongoing.

Committee's Observations and Recommendations

Your Committee finds the decision by RDA to award the extension of the rehabilitation of 25 km road from Mfuwe International Airport to South Luangwa National Park gate highly irregular. Your Committee also finds the reasons advanced by the Controlling Officer for this extension misplaced considering the fact that if the other works done by the said contractor on the same road were satisfactory, the bidding process would have still favored the contractor while maintaining transparency in the selection process. Your Committee urges the Controlling Officer to censure RDA management to desist from this practice but foster transparency in awarding of contracts to avoid the recurrence of this query. Your Committee resolves to close the matter.

b. Failure to Renew the Consultant's Contract

Your Committee was informed that the new contract that was signed covered the period during which the consultant provided services after the expiration of the initial contract. It was in the best interest of the Contract to maintain the consultant whilst the issue of their expired contract was being resolved so that the running works contract did not proceed without supervision which they earlier had. The new contract covered the period from 15th November 2013 to 15th May 2017.

Committee's Observations and Recommendations

Your Committee finds the justification by the Controlling Officer on the delay to renew the contract for the consultant a clear case of lack of understanding of contractual obligations by RDA. Your Committee insists that the works done by the contractor during the period the contract had expired cannot be paid. Your Committee directs the Controlling Officer to ensure that RDA recovers the payment advanced to the consultant during the period the contract had expired. Further, the Controlling Officer should surcharge responsible officers at RDA who failed to prepare the contract on time. Your Committee resolves to await a progress report on the matter.

c. Questionable Pricing of the 25 km Mfuwe International Airport to South Luangwa National Park Gate

Your Committee was informed that the RDA decided to grant the additional works on this contract as it was considered cost effective than going to tender because the mobilisation cost was cheaper. The rates of the original contract were used in the variation order except for new items. At the time, Sable Transport Limited was the only contractor mobilised in the area capable of undertaking the works in Mfuwe.

Committee's Observations and Recommendations

Your Committee finds the justification by RDA on the unsubstantiated increase in the contract price disturbing and a clear case of vested interest by some officers at RDA. In addition, the unilateral decision by RDA to award the extension of the 25 Km to the same contractor resulted in the high rates as the prices were not subjected to competition. Your Committee urges the Controlling Officer to censure management at RDA to desist from awarding contracts without subjecting them to competition. This action will result in maintaining acceptable contract sums. Your Committee resolves to close the matter.

d. Failure to Pay Contractor on Time

Your Committee was informed that the RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002, and submitted payment certificates/invoices to NRFA for payment. The RDA had no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee regrets that there was a delay in paying the contractor on time. It is the considered view of your Committee that the delay to pay the contractor on time results in the accumulation of interest and penalty charges as well as the delay to complete works as scheduled. This action further demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to this contract. Your Committee resolves to await an update on the payment to the contractor to complete the outstanding works.

e. Physical Inspection

i. Visual Inspection

Your Committee was informed that the outstanding works would be completed once the much needed project funding was made available. The progress on the project had been affected by the lack of funding.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure that the highlighted defects are corrected immediately the contractor is funded.

- Lutembwe Bridge
Your Committee was informed that the project was ongoing and the contractor had commenced ancillary works which include road line marking, installation of road signs, etc. However, works had stalled due to cash flow challenges. The Contractor was expected to resume the works as soon as he was paid the outstanding IPCs

Committee's Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure that the highlighted defects are corrected immediately the contractor is funded.

- At Km 13+000 RHS, cracking was observed at the super elevation. A core taken on the crack reviewed that the cracks propagated all the way to the base, therefore the section must be reconstructed from the base.

Your Committee was informed that the Contractor would attend to all defects on the road prior to hand over as per standard practice.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure that the highlighted defects are corrected immediately the contractor is funded.

- At Km 94+000, the culvert structure had no headwalls.

Your Committee was informed that the project was still ongoing and the headwalls would be constructed before handing over of the road to the Client.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure that the headwalls are constructed immediately the contractor is funded.

ii. Stabilised Base Coring/Trial Pit

Seven (7) out of the ten (10) cores crumbled as shown below.

- At Km 10+275 RHS, the core crumbled.
- At Km 92+875 LHS, the average core thickness retrieved was 98mm.
- At Km 79+950 LHS, the core crumbled.
- At Km 100+500 RHS, the core crumbled.
- At Km 94+000 LHS, the core crumbled.

- At Km 95+730 RHS, the core crumbled.
- At Km 86+400 LHS, the core crumbled.
- At Km 75+800 RHS, average base thickness from trial pit was 110 mm.
- At Km 67+350 RHS, the core crumbled.
- At Km 60+000 RHS, the average base thickness from trial pit was 125 mm.

iii. Township Roads–Mambwe District

- At Km 0+100, Jumbe Road, the average core thickness retrieved was 20 mm and this did not meet the 150 mm thickness or 123 mm minimum thickness as per SATCC clauses 3405 and 7205.
- At Km 0+300, Council Guest Road, the average core thickness retrieved was 0 mm. The base thickness was 60 mm from the trial pit.

iv. Township Roads – Mfuwe District

- At Km 16+600 RHS, the base thickness was 140mm from the trial pit.
- At Km 14+400 LHS, the base thickness was 160mm from the trial pit.
- At Km 12+500 RHS, the base thickness was 195mm from the trial pit.
- At Km 10+800 LHS, the base thickness was 190mm from the trial pit.

Your Committee was informed that according to best practice, the minimum acceptable sample size required to obtain a conclusive analysis of results per Lot was 30 in line with clause 7205(b) of the SATCC specifications. It was however, deemed to be undesirable to undertake the minimum 30 because of the destructive nature of the test.

It should be noted that the finding above was based on the coring results only which was not very accurate for determining the pavement layer thickness. Coring thickness results were to be augmented by test/trial pits which were more reliable in determining the pavement layer thickness.

Layer thicknesses may be determined by means of level measurements taken before and after construction of the layer in exactly the same position, but may be augmented by thicknesses measurements taken by means of holes made in the layer. It states that the lot would be considered to comply with the requirements for layer thicknesses if of these 30:-

- (i) at least 90% of all the thickness measurements taken before any thickness repairs were made were equal to or greater than the specified thickness, minus the D90 tolerance specified in the appropriate section and;
- (ii) the mean layer thickness of the lot was not less than the specified thickness, minus the Dmean tolerance. Isolated spots where the actual thickness was less than the specified thickness less the Dmax tolerance shall be repaired so as to fall within the D90 tolerance.

The tolerances being

	D90	Dmax	Daverage
Selected layer.....	30 mm	40 mm	10 mm
Subbase.....	21 mm	27 mm	5 mm

Base.....	21 mm	27 mm	5 mm
Wearing course.....	-	30 mm	0 mm
Shoulders.....	-	30 mm	0 mm

However, the sample size fell below the 30 thickness samples required per lot for a conclusive analysis.

Committee’s Observations and Recommendations

Your Committee is disappointed that whereas the sampling size of the coring tests conducted may not give a precise position on the adherence to specifications by the contractor, your Committee contends that had the contractor been providing the supervision as expected, the findings could have been availed to the auditors. Further, your Committee finds the reluctance for RDA to accept the results very unfortunate when they were part of the tests during the audit process. Your Committee urges the Controlling Officer to ensure that the highlighted defects are corrected without any further delay. Given the seemingly varying positions regarding the matter. Your Committee resolves to await a progress report on the matter.

v. Longitudinal Streaking and Surface Irregularity

Your Committee was informed that the project was still ongoing and all ensuing defects would be rectified by the Contractor before handing over of the road to the Client.

Committee’s Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure that the highlighted defects are corrected immediately the contractor is funded.

76. Upgrading of Mpika – Nabwalya – Mfuwe Road (Lot 2, approximately 117 km)

a. Questionable Award of Road Contract

Your Committee was informed that there was a re-evaluation of this tender that recommended Messrs Raubex Construction (Z) Ltd as the best evaluated bidder. There was a saving of about K49 million. The evaluation report was available for scrutiny.

Committee’s Observations and Recommendations

Your Committee expresses worry with the numerous inconsistencies in the award of contracts by RDA. While noting that funds amounting to K49m were saved as a result of awarding the contract to Messrs Raubex Construction (Z) Limited, your Committee urges the Controlling Officer to ensure that guidelines in the awarding of contracts are revised in order to foster transparency in the award of contracts. Your Committee resolves to close the matter subject to submission of revised guidelines.

b. Failure to Pay Advance Payment on Time

Your Committee was informed that the RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002, and submitted Payment certificates/invoices to NRFA for payment.

The RDA had no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee regrets that the over procurement of projects by RDA has immensely contributed to the continued delay of paying contractors on time. Your Committee also contends that the delay to pay the contractor on time results in the accumulation of interest and penalty charges as well as the delay to complete works as scheduled. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, your Committee directs that RDA should develop a new well structured payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to this contract. Your Committee resolves to await an update on the payment to the contractor to complete the outstanding works.

c. Failure to Pay Contractor on Time

Your Committee was informed that the RDA certified the works/services done as mandated by the Public Roads Act No 12 of 2002, and submitted payment certificates/invoices to NRFA for payment.

The RDA has no control on the timing of the payments to contractors. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee regrets that there was delay in paying the contractor on time. It is the considered view of your Committee that the delay to pay the contractor on time results in the accumulation of interest and penalty charges as well as the delay to complete works as scheduled. This action further demonstrates the poor co-ordination between RDA and NRFA in working in sync regarding payments to contractors. Your Committee notes that whereas RDA has no control on the timing of payment of contractors, RDA has the control and responsibility to ensure that a contract is only signed after confirmation of the availability of funds by the Treasury through NRFA. Your Committee regrets that the poor co-ordination between RDA and NRFA is costing the Government

huge financial costs which should be stopped forthwith. Your Committee strongly urges the Controlling Officer to immediately suspend the signing of new road contracts until all the outstanding contracts are completed. Further, Your Committee directs that RDA should develop a new well structured payment plan, as a matter of extreme urgency, to clearly show how the dismantling of arrears will be done in a phased manner. This must be done in liaison with the Treasury and NRFA in order to avoid the further accumulation of interest penalty charges incidental to this contract. In addition, your Committee urges the Controlling Officer to ensure that RDA strictly adheres to its approved annual work plans. Your Committee resolves to await an update on the payment to the contractor to complete the outstanding works.

77. Quarry Mines and Crusher Plants – Senkombo Quarry Mine in Kazungula

i. Irregular Operations of the Mines

Your Committee was informed that the BUK had submitted a payment plan committing to pay amounts owed. The Agency would take legal action in pursuance of recovering the amounts owed should the aforesaid process to recover the outstanding amounts fail to yield the desired results.

The terms and conditions of the lease were agreed upon by both the RDA and BUK before authority was given to BUK to occupy the Senkobo Quarry. Further, BUK was made aware that the lease could only be signed after it was cleared by the Attorney-General's Office. But due to the great expectations by both Government and the general public to see improvements at Zambia Railways after giving it part of the 'Euro Bond', the RDA authorised BUK to start mobilisation to the Quarry in January 2014, while the lease was pending clearance by Attorney General's Office. However, the RDA only received the cleared draft lease from Attorney-General's Office on 4th November 2015, and at that time the termination process had already begun due to failure by BUK to honour their monthly payments.

Committee's Observations and Recommendations

While noting the repayment plan agreed upon between RDA and BUK Zambia Limited regarding the operations at Senkombo Quarry Mine without a lease agreement, your Committee contends that the absence of the agreement was a serious omission which can be used against RDA despite taking legal action as there would be no documentary evidence outlining the Terms and Conditions. Your Committee urges the Controlling Officer to sternly caution RDA to desist from this practice in future. Your Committee will await an update on the repayment plan between the two parties and urges the Office of the Auditor General to note the matter in future audits.

ii. Failure to Avail Authority to Dispose of the Crusher Plant

Your Committee was informed that the RDA maintained security guards at all quarries including at the Senkobo Quarry. Further, the security guard at Senkobo Quarry was shown documentation relating to the purported sale of the crusher plant by the Provincial Administration.

The RDA wrote to the Permanent Secretary for Southern Province on 3rd August 2016, to dispute the sale of the crusher plant, to which the Permanent Secretary responded on

30th September 2016, expressing ignorance of any irregularity in the sale. The RDA was in the process of making the necessary consultations before closing the matter as indicated in the letter to the Permanent Secretary dated 11th November 2016.

Committee's Observations and Recommendations

Your Committee expresses disappointment that RDA only took action after the revelations by the auditors. This shows the weak monitoring and poor maintenance of assets by RDA. Your Committee urges the Controlling Officer to take disciplinary actions against responsible officers at RDA. In addition, your Committee directs the Controlling Officer to ensure that RDA should update its asset register and submit it for verification. Your Committee resolves to await a progress report on the matter.

VARIOUS PROVINCES

78. Construction of Toll Plazas - Procurement of Consultancy Contract for Lot 2 and 3 (Except for Munyumbi)

a. Questionable Procurement of Consultancy Services

Your Committee was informed that the procurement was in line with Clause 32 (a) (b); (c); (d) and (e) of the Public Procurement Act and a no-objection from ZPPA was available for scrutiny.

Committee's Observations and Recommendations

Your Committee notes the response but raises consternation on the non availability of the documentation during the audit process. Your Committee urges the Controlling Officer to ensure that responsible officers are surcharged for this action. Your Committee resolves to close the matter subject to audit verification.

b. Irregular Provision of Consultancy Services

Your Committee was informed that Rankin Engineering Consultants did not provide supervision services during that period. The Consultant merely undertook designs of toll plazas. During that time, the Regional Manager provided supervision services of the works.

Committee's Observations and Recommendations

Your Committee notes the response and resolves to close the matter.

79. Construction of Toll Plaza - Lot 2 (Kafulafuta, Manyumbi, Choma)

Your Committee was informed that the delay in commencement of works on the Manyumbi and Kafulafuta Toll Plazas was as a result of the Industrial Break and the rainy season. On the other hand, the works on the Choma Toll Plaza had commenced, but could not continue due to the termination of the contract.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure the works are concluded as scheduled. Your Committee resolves to await an update on the completion of the Choma Toll Plaza.

80. Construction of Toll Plaza - Lot 3 at Sabina/Garnaton, Kamfinsa/ Levy Mwanawasa Stadium

i. Questionable Method of Procurement

Your Committee was informed that limited bidding was used in accordance with Clause 29 (2) (ii) of the Public Procurement Act No. 12 of 2008. Further, RDA proceeded with the procurement on the basis of the shortlisted bidders that responded to the tender.

Committee's Observations and Recommendations

Your Committee is dissatisfied with the response given by the Controlling Officer regarding the matter. Your Committee sternly cautions the Controlling Officer to ensure that there is transparency in the award of contracts by subjecting them to competition. Your Committee contends that amongst the benefits of widening the bidding process is the reasonable provision of rates by contractors. Your Committee resolves to close the matter.

ii. Failure to Renew Contract-Security Documents

Your Committee was informed that the Contractor was repeatedly reminded to renew the necessary security documents, but could not do so. This was treated as a fundamental breach of contract and the contract was eventually terminated.

Committee's Observations and Recommendations

Your Committee notes the response and resolves to close the matter.

81. PAVE ZAMBIA 2000

i. Under-funding of Pave Zambia 2000 Projects

Your Committee was informed that as result of this underfunding, the RDA had faced challenges in implementing the project. The Ministry of Housing and Infrastructure Development would continue to engage the Ministry of Finance to ensure that the necessary funding for the project was made available timely.

Committee's Observations and Recommendations

Your Committee notes that the lessons experienced during the implementation of the Link Zambia 8000 Phase I must be applied to the implementation of the Pave Zambia 2000 project. The numerous irregularities highlighted during the period under review clearly show the discrepancy between procured projects and available resources. Further, the avoidable high and outrageous variations coupled with the huge standing time charges have immensely contributed to the huge debt owed to contractors and consultants by the Government. In view of the aforementioned, your Committee directs that the Pave Zambia 2000 project be done in a phased manner until a significant number of stalled works under the Link Zambia 8000 phase I projects are offset. Your Committee resolves to await a progress report on the matter.

ii. Procurement of Equipment (Lot 8) – Irregular Award of Contract to Shaftex Zambia Limited

Your Committee was informed that the RDA Procurement Committee agreed with the Evaluation Committee recommendation to re-advertise Lot 8 and referred the matter to ZPPA for further review. ZPPA guided that considering that the bidder was the only responsive bidder at post qualification stage, there would be no unfair advantage if clarification was to be sought from the bidder. With this guidance, the Evaluation Committee obtained clarification from the bidder which was taken into consideration, and the award was later approved by the RDA Procurement Committee.

Committee's Observations and Recommendations

Your Committee expresses concern with the guidance that has been given by ZPPA on most road projects. It is the belief of your Committee that ZPPA is somewhat contributing to a number of irregularities due to the discretionary powers given to the Agency. Your Committee urges the Secretary to the Treasury to ensure that the ZPPA Act is revised as soon as practicable possible in order to limit the discretionary powers conferred on ZPPA in the procurement process. Your Committee resolves to await a progress report.

iii. Failure to Utilise Equipment

Your Committee was informed that the intention that the RDA utilises the segmented paving machine in areas such as Central Business District locations with steady electricity supply and optimises the use of labour intensive methods in areas without steady electricity supply.

Committee's Observations and Recommendations

The Committee resolves to close the matter but urges the Controlling Officer to ensure the equipment is well secured for future use.

iv. Receiving of Equipment with “Wrong Specifications”

Your Committee was informed that the equipment was received but was not accepted as the specifications were not met and the supplier was instructed to remove the equipment from the RDA Mumbwa Road Workshop but the owner challenged the instruction and the equipment remained at the workshop.

Your Committee was informed that RDA only paid the ten (10) percent advance but had instituted legal redress to recover the advance paid owing to the non -acceptance of the equipment.

Committee’s Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure that the funds are recovered and the correct equipment procured. Your Committee resolves to await a progress report on the matter.

v. Slow Progress of the Pave Zambia 2000 Project

Your Committee was informed that progress had been affected by inadequate release of funding. The Ministry of Housing and Infrastructure Development would continue to work in close collaboration with the Ministry of Finance to ensure that projects planned for were adequately funded.

Committee’s Observations and Recommendations

Your Committee urges the Controlling Officer to suspend this project until a significant number of stalled works under the Link Zambia 8000 phase I project are offset. Your Committee resolves to await a progress report on the matter.

vi. Planned Paver Production by December 2015 vs Actual Production

Your Committee was informed that progress had been affected by inadequate release of funding. The Ministry of Housing and Infrastructure Development would continue to work in close collaboration with the Ministry of Finance to ensure that projects planned for were adequately funded.

Committee’s Observations and Recommendations

Your Committee urges the Controlling Officer to suspend this project until a significant number of stalled works under the Link Zambia 8000 phase I project are offset. Your Committee resolves to await a progress report on the matter.

vii. Distance (Km) Planned to be Paved by December 2015 Vs Actual Distance Paved

Your Committee was informed that progress had been affected by inadequate release of funding. The Ministry of Housing and Infrastructure Development would continue to work in close collaboration with the Ministry of Finance to ensure that projects planned for were adequately funded.

Committee’s Observations and Recommendations

Your Committee urges the Controlling Officer to suspend this project until a significant number of stalled works under the Link Zambia 8000 phase I project are offset. Your Committee resolves to await a progress report on the matter.

viii. Failure to Register Equipment – Grader

Your Committee was informed that there had been a delay to register the motor graders because of missing documentation at the point of entry at Chirundu. The RDA has engaged ZRA to obtain copies of customs and excise declaration documentation.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Controlling Officer to ensure the matter is resolved without any further delay. Your Committee resolves to await an update on the matter.

82. Force Account Projects Carried Out in the Provinces During the Period from 1st January 2013 to 31st December 2015

a. Lack of Segregation of Duties

Your Committee was informed this challenge could be attributed to inability by the Agency to fill vacancies for Regional Procurement Officers as provided for in the approved RDA organisational structure due to inadequate funding.

As a short term solution, RDA Management had assigned the responsibility for the receipting, issuing and general management of stores in the Regional Offices to the Regional Human Resource Administration Officers to achieve segregation of duties.

A way forward to this situation would be the improvement of funding for operations to the RDA which should facilitate filling of vacancies for Regional Procurement Officers as provided for in the approved RDA organizational structure.

Committee's Observations and Recommendations

Your Committee finds the non segregation of duties to be the major cause for the poor management of accounting documents by RDA. Your Committee urges the Controlling Officer to ensure that the Treasury Authority is sought to fill all the vacancies on the RDA structure without any further delay. Your Committee resolves to await a progress report on the matter.

b. Non Maintenance of Stores Records

Your Committee was informed that during the year 2016, Management developed comprehensive operational procedures manuals which were approved by the Board. The new procedures manuals would ensure compliance with Public Stores Regulations and

contain detailed guidelines and standard operating procedures (SOPs) for management and accounting for Force Account Projects. Guidelines addressed a wide range of issues faced during implementation of Force Account Projects including accounting for materials and tools.

All Regional Accounting staff involved in management of Force Account Projects had since been trained and the procedures manuals had been disseminated to the regional offices.

Committee's Observations and Recommendations

Your Committee notes the actions taken by RDA in complying with Public Stores Regulation No.16. Your Committee urges the Controlling Officer to ensure that the implementation of the developed stores procures is coupled with close supervision of stores staff. Your Committee resolves to close the matter subject to audit verification.

c. Failure to Undertake Inventory Count

Your Committee was informed that during the year 2016, Management developed comprehensive operational procedures manuals which were approved by the Board. The new procedures manuals would ensure compliance with Public Stores Regulations and contain detailed guidelines and standard operating procedures (SOPs) for management and accounting for Force Account Projects. Guidelines addressed a wide range of issues faced during implementation of Force Account Projects including accounting for materials and tools. All Regional Accounting staff involved in management of Force Account Projects had since been trained and the procedures manuals had been disseminated to the Regional offices.

Committee's Observations and Recommendations

Your Committee notes the actions taken by RDA in complying with Public Stores Regulation No.16 . Your Committee urges the Controlling Officer to ensure that the implementation of the developed stores procures is coupled with close supervision of stores staff. Your Committee resolves to close the matter subject to audit verification.

PART III

LOCAL TOUR REPORT

Pursuant to its programme of work for the First Session of the Twelfth National Assembly, your Committee undertook a local tour to Lusaka, Central and Eastern Provinces on selected roads as highlighted in the Report of the Auditor General on the Road Projects under the Road Development Agency for the Period January 2012 to December 2015. The local tour was conducted from 23rd to 30th May 2017.

In this regard, the following roads were visited by your Committee:

- a) **LUSAKA PROVINCE**
 - Hospital to Katoba Road (Chongwe District);
 - Kanakantapa-Kasisi-Kabangwe Road (Chongwe District);
 - Katoba to Chirundu via Chiawa Road (Chirundu District); and
 - Luangwa- Feira Road (Luangwa District).
- b) **CENTRAL PROVINCE**
 - Landless Corner-Mumbwa Road (Chibombo District).
- c) **EASTERN PROVINCE**
 - Chipata-Vubwi- Chadiza Road (Chipata District);
 - Chipata- Chadiza-Katete Road (Chadiza District); and
 - Chipata- Mfuwe Road (Mambwe and Mfuwe Districts).

The objectives of the local tour were as outlined below:

- validate queries raised in the Report of the Auditor General for the Period January 2012 to December 2015 on selected road projects ;
- engage relevant stakeholders involved in the construction of the Roads, that is, (RDA), the consultants and the contractors of the respective roads; and
- establish the way forward.

Arising from the verification tours, your Committee highlights the major findings as follows.

- i) Works on most projects had since stalled due to inadequate funding by the Government. Therefore, an average of ten percent of works has been undertaken on most Roads.
- ii) The quality of works done was generally poor resulting in a number of defects.
- iii) The lack of detailed engineering designs and drawings as well as the late engagement of the consultants has immensely contributed to the poor quality of works done and resulted in huge variations and increased costs.

- iv) The lack of an effective monitoring and evaluation framework has further contributed to the poor quality of project implementation.
- v) The non-adherence to specification by contractors as contained in the respective contracts is a serious source of concern.
- vi) There is generally poor interaction and coordination among the key stakeholders, that is, RDA, consultants and contractors resulting in poor contract management.
- vii) The ambitious road infrastructure programme by the Government through RDA is not corresponding with the available resources thereby not only affecting the quality of works done but also the increased costs due to the delayed payments. Increased costs are as a result of paying interests and standing-time costs for non productive equipment parked on construction sites due to stoppage of work.
- viii) The limited powers of the National Roads Fund Agency in conducting verifications upon issuance of Interim Payment Certificates by RDA before making payments has contributed to the continued abuse of public resources.
- ix) Despite most of the roads being poorly done, no punitive actions has been meted out on the consultants by RDA.

The specific findings on the Roads visited are as stated hereunder:

a) Hospital- Katoba Road (Chongwe District)

Your Committee established that the irregularities highlighted by the Auditor General's Report on this Road were commensurate with what was obtaining on the ground. However, after the verifications, the following additional findings were made:

- the contractor has since de-mobilised for over a year;
- at Kilometre 00 to 1.5 the consultant indicated that the demo road was for the specific purpose of the launch of the project. They were no instructions/records from the consultant to indicate that the section was rejected as it was not constructed to specified standard although it was paid for. The part would be upgraded to the specified standard as the contractor resumes works after being funded;
- the markings on the Road were poorly done therefore, compromising the safety of the road users;
- the Road signs initially reported to have retro reflectivity had been vandalised;
- a sample of trial pit conducted on the thickness of the road layers could not provide conclusive results on the adherence to specifications as promulgated in the contract; and
- works have stalled due to the poor funding by the Government.

In view of the foregoing, your Committee makes the following observations and recommendations.

Your Committee observes with concern that the contractor has since de-mobilised, thereby, affecting the correction of the highlighted defects on the Road. Your Committee therefore, directs the Controlling Officer to ensure that the Road Development Agency through the consultant immediately corrects the defects once the contractor resumes works. Your Committee further directs the Controlling Officer to ensure that the 1.5 kilometre is upgraded to the specified standard without any further delay. Furthermore, lab tests should be conducted on the road by an independent consultant, with the view

to establishing the efficacy of the specifications as indicated in the contract. Your Committee resolves to await a progress report on the matter.

b) Kanakantapa-Kasisi-Kabangwe Road (Chongwe District)

Your Committee established that the irregularities highlighted by the Auditor General's Report on this Road were commensurate with what was obtaining on the ground. However, after the verifications, the following additional findings were made:

- the contractor informed your Committee that the road cracking was as a result of fluctuations in temperatures during the construction as the asphalt was collected from Kafue, therefore, pointing to the fact that the feasibility study on the road was not well conducted;
- Interim Payment Certificates amounting to forty percent (40%) of the contract sum had since been paid;
- works have stalled due to the poor funding by the Government; and
- the contractor's contract expired and was yet to be renewed.

In view of the foregoing, your Committee makes the following observations and recommendations.

Your Committee expresses concern that despite the contractor being paid a significant amount of the contract sum, the works done thus far are not corresponding with the amounts released. It is in this regard that your Committee strongly urges the Controlling Officer to ensure that the defects are corrected before the release of any additional funds. Further, your Committee directs that there must be close supervision by the consultant in order for defects to be corrected immediately they are spotted. Furthermore, there must be close interaction and co-ordination among the RDA, the consultants and the contractors to avoid the delay in correcting the defects.

c) Katoba via Chiawa to Chirundu Road (Chirundu District)

Your Committee established that the irregularities highlighted by the Auditor General's Report on this Road were commensurate with what was obtaining on the ground. However, after the verifications, the following additional findings were made:

- your Committee expresses concern on the direct bidding in the awarding of the contract;
- there were two variations made on the road at a total cost of US\$ 15 million and US\$ 7 million respectively; the US\$ 7million variation is as a result of lack of detailed engineering designs. The Contractor contended that they could not work on the 10km mountainous Section and needed to be paid extra;
- The US\$ 7million variation defeated the purpose of single sourcing the contractor based on their capacity;
- works have stalled due to the poor funding by the Government; and
- the Contractor claimed that RDA was directed by the Ministry to commence works on the Road within three weeks, therefore, resulting in the non adherence to laid down procurement procedures.

In view of the foregoing, your Committee makes the following observations and recommendations.

Your Committee finds it unacceptable that RDA was given three weeks to commence works thereby, flouting procurement guidelines by single sourcing the Contractor. Your Committee, therefore, strongly urges the Controlling Officer to ensure that RDA desists from this practice and follow laid down procurement guidelines in line with the *ZPPA ACT no. 8 of 2012*. Further, the Secretary to the Treasury is specifically being urged to ensure that funds are released to allow the contractor to mobilise and complete the outstanding works without any further delay. The Executive is further being urged to allow RDA follow laid down procedures before awarding a contractor. Your Committee resolves to await a progress report.

d) Luangwa-Feira Road (Luangwa District)

Your Committee established that the irregularities highlighted by the Auditor General's Report on this Road were commensurate with what was obtaining on the ground. However, after the verifications, the following additional findings were made:

- it was difficult to differentiate the base and sub -base on most of the trial pits conducted;
- the contractor did not import the material used for the sub base despite the importation of the required materials being paid for;
- the contractor was on site;
- there was generally poor workmanship on the road in terms of bleeding, cracking and rutting in some sections of the road; and
- the engineering designs of the three bridges have since been approved awaiting implementation.

In view of the foregoing, your Committee makes the following observations and recommendations.

Your Committee is disappointed that engineers were unable to resolve the status of the sub-base in respect of whether it was in-situ or was in-fact imported as stated in the contract. Your Committee observes that while the visual inspections suggested that the sub base was not imported but already existed on site, this did not resolve the matter in that only lab tests could confirm. Your Committee therefore, directs the Controlling Officer as a matter of urgency, to ensure that the lab tests are conducted by an independent consultant in order for the matter to be resolved. Further, the consultant should compile and present the defects highlighted to the contractor in order for them to be corrected before the contractor commences the construction of the outstanding works. Your Committee resolves to await a progress report on the matter.

e) Landless Corner to Mumbwa Road (Chibombo District)

Your Committee established that the irregularities highlighted by the Auditor General's Report on this Road were commensurate with what was obtaining on the ground. However, after the verifications, the following additional findings were made:

- the contractor was engaged following the termination of the initial contract;

- the current contractor had little experience in road construction;
- the base coring test showed that the core had crumbled, therefore, demonstrating the poor workmanship by the contractor; and
- works have stalled due to the poor funding by the Government.

In view of the foregoing, your Committee makes the following observations and recommendations.

Your Committee strongly recommends that the contract must be terminated and re-tendered in order for a more experienced contractor to be engaged and complete the outstanding works. Your Committee contends that whereas the termination of the contract will attract penalties, continuing works with the current contractor will attract immense financial ramifications in addressing the poor works. Your Committee therefore, resolves to await a progress report.

f) Chipata-Vubwi Road (Chipata District)

Your Committee established that the irregularities highlighted by the Auditor General's Report on this Road were commensurate with what was obtaining on the ground. However, after the verifications, the following additional findings were made:

- the works done thus far are generally good save for the section on the culverts that need to be re-done due to the depressions observed;
- the base coring test conducted on two portions of the Road was satisfactory as the core did not crumble; and
- works have since stalled due to the poor funding by the Government.

In view of the foregoing, your Committee makes the following observations and recommendations.

Your Committee expresses delight with the works done thus far by the contractor. Your Committee, however, urges the Controlling Officer to ensure that the contractor addresses the defects highlighted immediately they mobilise before proceeding to undertake the remaining works. Further, the Government and particularly the Secretary to the Treasury is urged to release the remaining funds to enable the contractor complete the works as scheduled. Your Committee resolves to wait a progress report on the matter.

g) Chipata-Katete-Chadiza Road (Chadiza District)

Your Committee established that the irregularities highlighted by the Auditor General's Report on this Road were commensurate with what was obtaining on the ground. However, after the verifications, the following additional findings were made:

- the contractor has not de-mobilised, thereby attracting stand - time charges amounting to K 5 million per month; and
- works have stalled due to the poor funding by the Government.

In view of the foregoing, your Committee makes the following observations and recommendations.

Your Committee is alarmed with the huge stand - time costs being paid to the contractor. It is the considered view of your Committee that immediate action should be taken to arrest the situation. Your Committee therefore, strongly urges the Secretary to the Treasury, as a matter of urgency, to mobilise the funds required to complete the project or suspend the contract until the funding is made available in order to avoid further losses resulting from the standing-time charges. Your Committee awaits a progress report on the matter.

h) Chipata -Mfuwe Road/ Mambwe Townships Roads (Mambwe and Mfuwe Districts)

Your Committee established that the irregularities highlighted by the Auditor General's Report on this Road were commensurate with what was obtaining on the ground. However, following the physical inspection by your Committee, the following additional observations were made:

- the initial contract was to cover 104 kilometres. However, a variation order was issued to include the construction of 12 kilometres of township roads;
- the completion period for the project has been adjusted from the initial twenty-four months to seventy-seven months;
- there was poor workmanship on the main road and township roads in terms of bleeding, loss of aggregates, cracking and streaking of the roads;
- there was no sub base on the Mambwe Township roads and documentation to justify why the sub base was not done was not availed;
- the road extension of 25 kilometres from the Mfuwe International Airport to the South Luangwa National Park was not re-tendered but given to the same contractor through a variation(this amounted to Direct Bidding) ; and
- 25 kilometre stretch has no temporal road signs thereby putting the lives of road users at risk.

In view of the foregoing, your Committee observes and recommends as follows:

Your Committee expresses concern with the quality of works on the main road as well as the township roads. It is evident that the consultant did not discharge his duties as expected. In view of the above, your Committee directs as follows:

- i) the contract for the consultant must be re-assessed if it is established that specifications espoused in the contract were not complied with;
- ii) a study to assess the cause of the defects must be done first before correcting the highlighted defects in order to avoid the recurrence of the defects;
- iii) the contract on the 25 kilometre extension should be re-tendered and a competitive bidder be awarded in line with the procurement guidelines. This is due to the shoddy works done by the contractor thus far; and
- iii) the defects on the 25 kilometre extension and any other defects on the projects should be corrected before the contractor commences any new works on the contract.

PART IV

GENERAL OBSERVATIONS AND RECOMMENDATIONS

Arising from its consideration of the Report of the Auditor General on the Road Projects under the Road Development Agency from the period January 2012 to December 2015, your Committee makes the following general observations and recommendations stated hereunder.

- 1) Your Committee observes that the current personnel establishment of RDA is not corresponding with its existing mandate thereby contributing to the numerous administrative queries highlighted in the report. The number of engineers and other relevant support staff is too low.

Your Committee strongly recommends that RDA management should develop a new personnel establishment which will enable it efficiently and effectively discharge its mandate. This should be followed by seeking prior Treasury Authority for the new positions.

- 2) Your Committee observes that the role of NRFA in the management of roads is critical given its financing obligation. It is, however regrettable that no performance audit has been conducted by the Office of the Auditor General since its establishment, thereby no actions being taken to strengthen its operations.

Your Committee strongly recommends that the Office of the Auditor General should undertake a performance audit on NRFA in order to assess the economy, efficiency and effectiveness of its operations.

- 3) Your Committee observes that the numerous irregularities contained in the report are mainly attributed to a weak monitoring and evaluation framework coupled with weak supervision. In addition, weak guidelines on road management as well as the legislative lapses in the enabling acts have compounded to the problem.

Your Committee directs that the revision of relevant acts and guidelines in the road sector be strengthened and done periodically without any delay. This should be premised on standard engineering practices obtaining in other jurisdictions.

- 4) Your Committee regrets the high turn-over of the Chief Executive Officers at RDA. It is worrying that during the period under review, the Agency has changed a total of four CEO's. This is coupled with the delay in appointing the Board to provide the much needed oversight.

Your Committee recommends that the *Public Roads Act no 12 of 2002* should amended in order to strengthen the recruitment process of the CEO in order to avoid the continued changes to this key position. Further, the dissolution and appointment of the Board should be done simultaneously in order to not only uphold good co-operate governance but also to avoid any vacuum at the Board.

- 5) Your Committee expresses concern with the poor co-ordination between RDA and NRFA in the management of the road sector. It is the considered view of your Committee that had the two institutions been working in sync, the over procurement of road projects would have been minimised.

Your Committee recommends that RDA and NRFA should strive to enhance co-ordination with the view to avoiding the recurrence of these administrative lapses.

- 6) Your Committee notes with regret the political interference exerted on RDA during the period under review which immensely contributed to the numerous irregularities.

Your Committee strongly recommends that the Secretary to the Treasury should ensure that RDA strictly adheres to its approved annual work plans and avoid flouting laid done procurement procedures due to political pressure.

- 7) Your Committee notes with concern the delay by the Attorney General's chambers to give guidance on procuring of projects over time. In most instances, this delay has resulted breach of contractual obligations by RDA resulting in numerous penalties.

Your Committee directs that the Attorney General's chamber must be beefed up with adequate legal practitioners in order to have timely legal opinions on the road contracts by RDA.

PART V

RESPONSES BY THE SECRETARY TO THE CABINET ON THE OVERALL RECOMMENDATIONS AND CONCLUSIONS OF THE AUDITOR GENERAL

83. Overall Recommendations

Audit Comment

The overall recommendations are as follows:

- i) The consultants must be engaged and detailed engineering designs produced before tendering of works contract.
- ii) All contracts must be referred to the Board for approval before signing.
- iii) All contracts should be referred to NRFA for confirmation of availability of funds before award of contracts.
- iv) Variations of above 25 percent of the initial contract sum must be referred to the Board for approval.
- v) RDA to develop and implement a system of disqualifying underperforming consultants and contractors.
- vi) RDA to develop a mechanism to monitor the presence of consultants' staff on site and on the use of project vehicles.
- vii) Consultants' staff should not manage more than one project at any given time.
- viii) Funds must be recovered for works found to be below specifications and the certifying officers must face appropriate disciplinary action, including blacklisting.

Treasury Response

The Secretary to the Treasury submitted that the Treasury took note of the recommendations by the Auditor General and would be undertaking a comprehensive review of all the various legislations governing the Road Sector Development in order to address the shortcomings in management of road contracts.

Specifically for recommendation

- Recommendation (iii) The Treasury had already engaged RDA and NRFA that all contracts should be referred to NRFA for confirmation of availability of funds before award of contracts.
- Recommendation (iv) the Treasury would ensure that it was included in the Public Procurement Act which is currently under review.
- on the rest of the recommendations, the Secretary to the Treasury would engage the Controlling Officer for the Head of Expenditure with the view of developing policies and procedures to address the recommendations made by the Auditor General.

Committee's Observations and Recommendations

Your Committee notes the response by the Secretary to the Treasury but urges him to ensure that the aforementioned strategies are fully implemented. Your Committee will await an update on the matter.

1. Audit Comment

This Report has highlighted various areas of weaknesses in the management of procurement and execution of road projects. It is important that these weaknesses are resolved in order that RDA can meet their objectives and efficiently and effectively deliver to the expectations of the Zambian citizens.

Treasury Response

The Secretary to the Treasury submitted that appreciated the work done by the Auditor General's Office and will always endeavour to address all the weaknesses highlighted by enforcing the provisions of the *Public Finance Act* and any other law relevant to ensure that the Management of the RDA meets the objective for which Government created the Agency.

Committee's Observations and Recommendations

Your Committee notes the response by the Secretary to the Treasury.

CONCLUSION

85. Your Committee wishes to express its gratitude to you, Mr Speaker, and the Office of the Clerk for the support rendered to it when considering the Report of the Auditor-General on the Road Projects under the Road Development Agency for the period January, 2012 to December 2015.

Your Committee further wishes to thank the Secretary to the Treasury, the Controlling Officer for the Ministry of Housing and Infrastructure Development and the Chief Executive Officer for the Road Development Agency for their cooperation.

Finally, your Committee acknowledges the valuable input from the Office of the Auditor-General, the Accountant-General and that of the Controller of Internal Audits when considering submissions from the witnesses.

H Kunda, MP
CHAIRPERSON

July, 2017
LUSAKA

APPENDIX I

Glossary of Words

AASHTO Density	The Maximum Dry Density and Optimum Moisture Content in the soil which is determined after compaction of selected soils at different moisture contents.
Advance payment	Initial part payment of an agreed percentage made to the contractor for purposes of mobilization which is recovered by the employer/client in agreed instalments during contract execution.
Guarantee/Bond	Document used when the contract provides for <i>advance payment</i> to be made to the contractor, and it <i>guarantees</i> that the <i>advance payment</i> will be returned to the employer/client by the contractor if he fails to execute works.
Aggregates	Coarse particulate material which is used in road construction which includes sand, gravel, crushed stone, slag, recycled concrete used in the formation of road layers
Amount Certified	Amount officially attested or confirmed as being the genuine or true reflection of works done or meeting specified requirements or standards.
Ancillary Road Works	Work other than the main contractual works that the contractor undertakes.
Approved Budget	The expenditure authority derived from law, appropriation bill authorized by Parliament.
Asphalt paving	Surfacing roads, parking lots and airports using composite material which consists of mineral aggregate bound together with bitumen and cement, laid in layers and compacted.
Base	A layer of material in an asphalt roadway located directly under the surfaced layer, normally constructed directly above subbase layer.
Bellmouth	Bellmouth is the widening of the road at an intersections to create enough turning curvature for vehicles
Bid Bond	A debt secured by a bidder for a construction job or similar type.
Bill of Quantities	A document that provides project specific measured quantities of the items of work identified by drawings and specifications. It is used to prepare prices for carrying out works.
Bitumen	A black viscous mixture of hydrocarbons obtained naturally or as a residue from petroleum distillation. It is used for road surfacing and roofing. In road construction, it is used as the glue or binder mixed with aggregate particles to create Hot Asphalt Mix or other road seals

Bituminous Layers	A thin protective wearing surface that is applied to a pavement or base course, also known as a seal coat or chip seal.
Bleeding	Bleeding is a shiny black surface film of road surface on the road surface caused by upward movement of bitumen in the pavement surface. Common causes of bleeding are too much bitumen in road surface, hot weather, low space air void content and quality of road surface.
Bollards	According to <i>Trafficcalming.org</i> , bollards can be used, either to control traffic intake size by limiting movements, or to control traffic speed by narrowing the available space.
Borrow Pits	An excavated area where material has been dug for use as fill at another location.
Certified IPC	The value of the work completed in the construction project less any amounts already paid, less retention approved by RDA.
Chainage	The distance along a curved or straight survey line from a fixed commencing point as given by an odometer.
Commencement Date	Contracted date when contractor must begin work on a project.
Completion Date	The date of completion of the works as certified by the Project Manager.
Construction Joints	An expansion joint or movement joint is an assembly designed to safely absorb the heat-induced expansion and contraction of construction materials, to absorb vibration, to hold parts together, or to allow movement due to ground settlement or earth.
Consultant	A professional who provides expert advice in a particular field such as engineering, science or any of the many other specialized field.
Consulting Engineer	Qualified independent expertise in engineering, providing design review and supervision services to the contractor on behalf of the Client (RDA).
Contract Amount	Amount accepted in the letter of acceptance for the execution and completion of the works and the remedying of any defects.
Contract award	The method used during a procurement in order to evaluate the proposals (tender offers) taking part and award the relevant contract.
Contract Price	Accepted Contract amount stated in the letter of acceptance and thereafter as adjusted with the contract.
Contract	The Agreement between the Client (RDA) and the Contractor / firm engaged to execute, complete and maintain road works.
Contractor	The party whose Bid to carry out the work has been accepted by the Client (RDA).

Core	A cylindrical sample of earth, mineral, or rock extracted from the ground by <i>means</i> of a <i>corer</i> so that the road layers distribution can be measured.
Coring	A process of extracting a cylindrical sample of road layers using a Coring machine.
Coring Machine	Machine used to extract cores out of Asphalt and Concrete pavements.
Client	The party who employs the Contractor to carryout works.
Crumbled Cored	A core which have failed to be retrieved using the coring machine
Crushed Stone	A form of construction aggregate, typically produced by mining a suitable rock deposit and breaking the removed rock down to the desired size using crushers.
Defect Liability Period	A set period of time after a construction project has been completed during which a contractor has the right to return to the site to remedy defects. A typical defects liability period lasts for 12 months.
Defects	Any part of works not completed in accordance with specifications in the contract.
Demobilization	All activities and costs for transportation of personnel, equipment, and supplies not required or included in the contract from the site; removal and site cleanup, of offices, buildings and other facilities assembled on the site specifically for this contract.
De – silting	<i>Removal</i> of silt (fine grained clay/lake-bed soil) from drainage that can be done manually.
Drawings	The drawings of works, as included in the contract, and any additional and modified drawings issued by (or behalf of) the Employer in accordance with the Contract, include calculations and other information provided by the project Manager for the execution of the Contract
Double Surface Dressing	A layer of single size chippings; 6mm, 10mm or 14mm single size chipping is applied with the first spray application of bitumen emulsion to form the bottom layer
Employer	The party who employs the Contractor to carryout works.
Engineers' Estimates	A detailed cost estimate for a project, computed by estimating the cost of every activity in a work breakdown structure summing these estimates, and adding appropriate overheads.
Equipment	The Contractor's machinery and vehicles brought temporarily to the site to execute the works.
Initial Contract Price	The Contract Price listed in the Client's Letter of Acceptance.

In situ	A method of fabricating reinforced concrete where the concrete is poured into formwork right at the construction site.
Liquidated Damages	Damages whose amount the parties designate during the formation of a contract for the injured party to collect as compensation upon a specific breach (e.g., late performance).
Materials	All supplies, including consumables used by the contractor for incorporation in the works.
Mobilization	Activation of a contractor's physical and manpower resources for transfer to a <i>construction</i> site until the completion of the contract.
Paved Shoulder	Portion of the outer road surface primarily for accommodation of stopped vehicles for emergency use which is paved or stabilized to provide a better all-weather support than offered by the untreated subbase course.
Performance Guarantee/Bond	A surety bond issued by an insurance company or a bank to guarantee satisfactory completion of a project by a contractor.
Plant	Any integral part of works that shall have a mechanical, electrical, chemical, or biological function.
Public Roads Acts	The Act No. 12 under which the Roads department is governed.
Reconstruction	Replacement of the entire existing pavement structure by the placement of the equivalent or increased pavement structure.
Remedial Works	Works intended to correct something that is wrong or to improve badly constructed works.
SATCC	Acronym for Southern Africa Transport and Communications Commission which are standard specifications and design guides for Roads and Bridges.
SATCC Clause	A particular or separate article in the in the SATCC standard specifications and design guides for Roads and Bridges.
Sink Hole	A cavity in the ground, especially in a limestone formation, caused by water erosion and providing a route for surface water to disappear underground.
Site	The area where actual works are to be executed.
Site handover	The formal <i>handover</i> of the <i>site</i> to the client which takes place once the contract administrator has confirmed that the works defined in the contract have been constructed to the Client's satisfaction.
Site Possession	The formal handover meeting when the contractor is granted access to the site to execute works until completion.
Snag List	A fully comprehensive list of items that the contractor has not completed correctly and defective work to be repaired.

Start Date	The latest date when contractor shall commence execution of the works.
Sub base	The <i>layer</i> of aggregate material laid on the subgrade, on which the <i>base course layer</i> is located.
Subcontractor	A person or corporate body who has a Contract with Contractor to carry out a part of the work in the contract, which includes work on the Site.
Stabilized base	A base which is stabilized by adding water, lime, sodium chloride, fibers, and bitumen. Combination of soil-cement in the presence of water is considered as another material for pavement base or sub-base.
Termination of Contract	Refers to when the contract becomes void of legal binding due to either party to the contract failing to perform their obligation.
Temporary Works	Works designed, constructed, installed, and removed by the contractor that are needed for construction or installation of the works.
Trial Pits	An excavation of ground in order to study or sample the composition and structure of the subsurface, usually dug during a site investigation, a soil survey or a geological survey.
Unconstrained Budget	A budget constraint represents all the combinations of goods and services that a consumer may purchase given current prices within his or her given income.
Under -Budgeting Variation	Expenditure involving less money than had been planned for. An instruction given by the Project Manager which varies the works.
Variation Order	An alteration to the scope of works in a construction contract in the form of an addition, substitution or omission from the original scope of works.
Vendor Rating System	A system used by buying organizations or industry analysts to record, analyze, rank and report the performance of Vendors.
Works	What the Contract requires the Contractor to Construct, install and turn over to the Client.

APPENDIX II

List of Officials

National Assembly

Mr S Kawimbe, Principal Clerk of Committees

Ms M K Sampa, Deputy Principal Clerk of Committees

Ms C Musonda, Senior Committee Clerk (FC)

Mr S C Samuwika, Committee Clerk

Mrs C T M Kasonde, Committee Clerk

Ms K Chisenga, Stenographer

Ms A Maluwa, Typist

Mr D Lupiya, Parliamentary Messenger