



REPUBLIC OF ZAMBIA

REPORT

of the

COMMITTEE ON COMMUNICATIONS, TRANSPORT, WORKS AND SUPPLY

for the

FOURTH SESSION OF THE ELEVENTH NATIONAL ASSEMBLY

APPOINTED ON THURSDAY, 25TH SEPTEMBER, 2014

Printed by the National Assembly of Zambia

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**REPORT OF THE COMMITTEE ON COMMUNICATIONS, TRANSPORT, WORKS AND SUPPLY
FOR THE FOURTH SESSION OF THE ELEVENTH NATIONAL ASSEMBLY APPOINTED ON
THURSDAY, 25TH SEPTEMBER, 2014**

Consisting of:

Mr V M Mooya, MP (Chairperson); Mrs A M Chungu, MP; Mr K Konga, MP; Mr E K Belemu, MP; Mr W Banda, MP; Mr L Chabala, MP; Mr M Chishimba, MP; and Mr K Simbao, MP.

Following the nullification of election of Mr K Simbao, MP, as Member of Parliament for Nsenga Hill by the Courts of Law, Mr M A Malama, MP, was appointed to the Committee on Tuesday 24th February, 2015.

The Honourable Mr Speaker
National Assembly
Parliament Buildings
LUSAKA

Sir

Your Committee has the honour to present its Report for the Fourth Session of the Eleventh National Assembly.

FUNCTIONS OF THE COMMITTEE

2.0 The functions of your Committee are as follows:

- (a) to study, report and make recommendations to the Government through the House on the mandate, management and operations of Government ministries, departments and/or agencies under its portfolio;
- (b) to carry out detailed scrutiny of certain activities being undertaken by Government ministries, departments and/or agencies under its portfolio and make appropriate recommendations to the House for ultimate consideration by the Government;
- (c) to make, if considered necessary, recommendations to the Government on the need to review certain policies and/or certain existing legislation; and
- (d) to consider any Bills that may be referred to it by the House.

MEETINGS OF THE COMMITTEE

3.0 Your Committee held sixteen (16) meetings during the year under review.

PROGRAMME OF WORK

4.0 At the second meeting held on Monday, 1st October, 2014, your Committee considered and adopted the programme of work as follows:

- (a) consideration of the Action-Taken Report on the Committee's Report for Third Session of the Eleventh National Assembly;
- (b) the Construction Industry in Zambia vis-a-vis the Participation of Local Contractors;
- (c) the Management and Maintenance of Government Buildings in Zambia; and

(d) consideration of the draft report.

PROCEDURE ADOPTED BY THE COMMITTEE

5.0 Your Committee requested detailed memoranda on the topics under consideration from concerned stakeholders and invited them to appear before it in order to give verbal submissions and clarifications on issues arising from their submissions.

Your Committee also undertook a foreign tour during the year under review.

The Report of your Committee is in three parts. Part I deals with topical issues, while part II is on the foreign tour and part III is on the Action-Taken Report of the Report of the Committee for the Third Session of the Eleventh National Assembly.

PART I

TOPICAL ISSUES

TOPIC 1: THE CONSTRUCTION INDUSTRY IN ZAMBIA *VIS-A-VIS* THE PARTICIPATION OF LOCAL CONTRACTORS

6.0 Your Committee resolved to undertake a study of the construction industry in Zambia vis-a-vis the participation of local contractors because there has been public outcry by the local contractors who feel excluded from fully participating in this sector despite the growth in the construction sector.

The following institutions made both written and oral submissions on the subject:

- (i) National Empowerment Forum;
- (ii) Finance Bank Zambia Limited;
- (iii) Road Development Agency;
- (iv) Zambia Agency for Persons with Disabilities;
- (v) Association of Building and Civil Engineering Contractors;
- (vi) Zambia Public Procurement Authority;
- (vii) Civil Society for Poverty Reduction;
- (viii) Jesuit Centre for Theological Reflection;
- (ix) National Roads Fund Agency;
- (x) Zambia Development Agency;
- (xi) Engineering Institution of Zambia;
- (xii) Private Sector Development Association;
- (xiii) Zambia Association of Chambers of Commerce and Industry;
- (xiv) Zambia Institute of Architects;
- (xv) Transparency International Zambia;
- (xvi) University of Zambia – Department of Engineering;
- (xvii) Copperbelt University – Department of Engineering;
- (xviii) National Association for Medium and Small Scale Contractors;
- (xix) Surveyors Institute of Zambia;
- (xx) Citizens Economic Empowerment Commission;
- (xxi) The Commuter;
- (xxii) National Council for Construction;
- (xxiii) Hotels Board of Zambia; and
- (xxiv) Ministry of Transport, Works, Supply and Communications.

CONSOLIDATED SUMMARY OF SUBMISSIONS

THE EFFECTIVENESS OF GOVERNMENT'S POLICY VIS-A-VIS THE PARTICIPATION OF LOCAL CONTRACTORS

6.0 Your Committee was informed that the effectiveness of Government policies *vis-à-vis* the participation of local contractors in the construction industry was as set out below.

The National Council for Construction (NCC) Act No. 13 of 2003

Your Committee was informed that the law establishing the NCC was *the National Council for Construction Act, No. 13 of 2003* (herein after the NCC Act). The Act defines the functions of the NCC; and it regulates the registration of contractors. The Act further provides for the promotion and development of the Zambian Construction Industry; and for affiliation to the Council of professional bodies whose members are engaged in activities related to the construction industry. Examples of such professional bodies include the Engineering Institution of Zambia, Zambia Institute of Architects, and Surveyors Institute of Zambia. The aim of the *National Council for Construction Act* is to regulate the entire construction industry in the nation. This is why it also provides for the establishment of the Construction School; the training of persons engaged in construction or in activities related to construction; and for many other matters connected to construction.

Unfortunately, the *National Council for Construction Act* limits the punishment of erring construction companies to only those that undertake works for public sector contracts. Further, one of the purposes of the NCC was to promote Zambian construction companies. However, this was not always visible on the ground because most of the construction companies that excelled in Zambia were foreign companies. Most Zambian construction companies ended up settling for second place by becoming the sub-constructed companies.

Your Committee was informed that NCC was mandated to also undertake research in order to improve the ZCI. At the moment, there was limited research conducted by the National Council for Construction on construction which companies could rely on to improve their output. Further, the *National Council for Construction Act* provides that the NCC shall establish a best practice project assessment scheme based on best practices identified by the Council. It was, therefore, imperative for the NCC to conduct research and publish these minimum standards and best practices expected of contractors. Furthermore, the Act promotes utilisation of local materials. Unfortunately, most of the materials currently used in the Zambia Construction Industry (ZCI) were sourced abroad. Zambian products were perceived to be of low quality. The NCC is also expected to promote safety. Your Committee heard that there had been cases in which the NCC had withdrawn practising licences from contractors who were guilty of misconduct.

Citizens' Economic Empowerment Act No. 9 of 2006

Your Committee was informed that the Act establishes the Citizens Economic Empowerment Commission and the Citizens Economic Empowerment Fund that is now used to empower citizens economically. The Act targets specific citizens and three types of companies namely: citizen empowered companies, citizen influenced companies and citizen owned companies. Its purpose is to promote equal opportunities for the targeted citizens and the three types of companies mentioned above in accessing and being awarded procurement contracts and other services from State institutions. Furthermore, the Act encourages gender-equality in accessing, owning, managing, controlling and exploiting economic resources. While the aim to promote economic empowerment was positive and highly welcome, there was a problem with the Act. The Act defines a company as 'a public or private company as defined in the *Companies Act*.' It

also defines the three types of companies recognised under the Act. However, the definitions of 'citizen' companies as provided in the *Citizens' Economic Empowerment Act No. 9 of 2006* and in the *Public Procurement Act No. 12 of 2008*, were different. There was a need to revisit and revise the definitions.

Citizens Economic Empowerment (Preferential Procurement) Regulations, Statutory Instrument No. 36 of 2011 and Circular No. 3 of 2013

Your Committee learnt that in 2011, a Statutory Instrument was passed to guide the implementation of the *Citizen's Economic Empowerment Act*. In 2013, a circular was issued to give further direction on empowerment of citizens and the thresholds established in the *Public Procurement Act*. The Circular re-clarifies the thresholds for the national and international competitive bidding under Sections 26 – 28 of the *Public Procurement Act* and regulation 8 of the Public Procurement Regulations of 2011. The *Public Procurement Act*, Citizens' Economic Empowerment Regulations and Circular No. 3 of 2013, therefore, speak to each other on the issue of reservation thresholds.

Your Committee was informed that while the 2011 Statutory Instrument was meant to benefit indigenous local contractors the issue of reservation schemes still raised debate. The 'citizens' companies in the *Public Procurement Act* and *Citizens Economic Empowerment Act* allowed a foreign company to simply provide a citizen with a minimal shareholding and qualify to become a 'citizen' company. Thus, the reserved projects continue to end up being awarded to foreign companies.

Many local contractors were only interested in receiving money rather than performing the work. As a result, foreign contractors preferred paying off the subcontracted local contractors, while the main contractor did all the work. This contracting strategy fails to empower local contractors with skills and knowledge transfer. Another relevant provision in the 2013 Circular was on the recommended thresholds specific to the ZCI. The Circular recommends that only local or citizen bidders were eligible to bid for construction works worth a maximum of K50 million. For construction works worth more than K50 million, international bidders are permitted to participate on condition that they partner with local and/or 'citizen' companies.

Occupational Health and Safety Act No. 36 of 2010

Your Committee was informed that the Act was the new law in the area of occupational health and safety in Zambia. It establishes the Occupational Health and Safety Institute; and provides for the establishment of health and safety committees at workplaces. The overall function of the Institute and its committees is to protect the health, safety and welfare of all persons at work. The Act also lays down duties of manufacturers, importers and suppliers of articles, devices, items and substances for use at work. Employers were mandated to provide for the protection of persons (other than persons at work) against risks to health or safety arising from the activities of persons at work.

One of the functions of the Institute is to conduct medical examinations for occupational health and safety purposes in all industries. Unlike the *Factories Act No. 2 of 1966*, the new law covers the service, agriculture and construction sectors as well. Through the Act, it is a requirement for construction companies to adhere to all health and safety requirements.

Your Committee learnt that despite this legislative progress, many construction companies (both local and foreign) did not follow the requirements of occupational health and safety. Therefore, there was need to develop industry specific regulations to assist with managing health, wellness and safety of workers in Zambia. Lessons could be learnt from the United Kingdom and South Africa where the Construction Design and Management (CDM) and Construction Regulations of

2014, respectively, were designed to regulate the construction industry's health, wellness and safety.

THE LEVEL OF PARTICIPATION OF LOCAL CONTRACTORS IN THE CONSTRUCTION INDUSTRY IN ZAMBIA

Your Committee was informed that as at 31st October, 2014, the National Council for Construction (NCC) had registered 4,641 companies. The majority of the registered companies were Zambian owned. Despite this, most of the contracts were awarded to the foreign contractors who represented a mere four (4) per cent of the registered contractors. Further, the local contractors expressed willingness to enter the construction industry through registration as per data compiled by the National Council for Construction. However, the retention levels were low if not non-existent. According to the National Council for Construction Report for 2012, the level of participation of local contractors was only twenty-two (22) per cent (NCC grades 1-2) in higher grades while seventy-four (74) per cent (NCC grades 3-6) had been registered in the lowest grades. The statistics had not changed much from the date of the report.

In terms of local contractor participation in the road sector, the available data from the Road Development Agency (RDA) in the Link Zambia 8000 projects show that only twelve (12) per cent were awarded contracts as principal contractors. Of the other projects procured by RDA, the participation of local contractors was estimated at one (1) per cent. The participation of local contractors could be more at subcontractor level – a level limited to only to twenty (20) per cent of contracts awarded to foreign contractors.

Your Committee was further informed that some works were not packaged to promote small-scale contractors. In some cases, open invitations were issued to all contractors registered even in the cases of minor works that could be executed exclusively by small or medium scale contractors. This did not allow for fair participation as big, medium, and small contractors were pitted together. Despite the limits set by the NCC, the Government procurement entities did not follow the limits to promote the participation and growth of local contractors especially in the procurement and award of construction works.

CHALLENGES THAT HINDER LOCAL CONTRACTORS FROM PARTICIPATING IN THE CONSTRUCTION INDUSTRY

Your Committee was informed that the challenges that hinder local contractors from participating in the construction industry are as set out below.

Access to finance

Your Committee was informed that a number of local contractors encountered challenges to access finance and other banking facilities. These challenges include a complicated range of financial products and services, regulatory rigidities or gaps in the legal framework and lack of information on both the banks and the local contractors side. Historically, the Zambian banking system was established on the basis of short-term lending mostly for trading transactions for a period of thirty (30) to ninety (90) days. The transaction was based on opening a letter of credit from bank to bank. Most banks had facilities such as short term loans, project financing, asset financing, overdrafts which did not adequately cover SMEs' long term financial requirements. Bank of Zambia supervision had taken strong measures against commercial banks by passing a Statutory Instrument No. 184 of 1995, the Banking and Financial Services (Capital Adequacy) Regulations. The Statutory Instrument stipulates that if a client of a bank does not liquidate a loan within three months, the bank should charge the loan against its own profit and loss account. The nature of construction business, especially that which depends on the Government as a client entailed that contractors were not ideal borrowers. Local contractors were seen to be

high risk because their client, the Government, did not pay on time. It was, therefore, risky for banks to provide any form of credit when the borrower did not know when they would pay back.

It was further stated that local contractors were usually established under sole proprietorship or limited company status consisting of family members. The company formation structure tended to make banks apprehensive to local contractors, and had an effect on confidence and risk levels. Local contractors were encouraged to form partnerships of three (3) to eight (8) companies and incorporate themselves as corporations. This would qualify them to access finance from capital markets. Furthermore, local contractors had limited knowledge on how to structure bankable credit proposals. It was essential that local contractors understood financial management. This would help them negotiate credit facilities with their bankers. Banks had been establishing SME departments to deal with the requirements of SMEs. The banking sector admitted that attending the *Zambian Construction Industry stakeholder workshop* helped them understand and appreciate issues and challenges faced by local contractors.

Collateral requirements

Your Committee was informed that financial institutions had collateral requirements that were difficult to meet in order for local contractors to secure credit facilities. However, there was potential in Zambia for local contractors to grow. What was required to unlock the potential was for the banks to soften their stringent collateral requirements so that finance was made available in a timely manner and at affordable rates.

Interest rates

Your Committee further learnt that high interest rates that currently ranged between twenty (20) to thirty (30) per cent, were a major hindrance to the growth of local contractors. However, high interest rates were as a result of market forces. Interest rates could be lowered if the wider population could begin saving. Zambians needed to learn how to save in various forms such as life insurance, unit trusts, treasury bills and bonds.

Limited technical and managerial skills

Your Committee learnt that lack of management skills was difficult to deal with in most local contractors as the size and skill set of senior management was often limited. Three essential attributes were required by those working in construction: possession of practical experience so that they were familiar with the working and intricacies of the industry; familiarity with various tools and techniques for planning, scheduling and controlling construction operations; and possession of personality and insight that enabled them to work harmoniously with others, often under very strenuous circumstances. The local contractors thus need to acquire an array of skills such as business and expertise as they were expected to deal with people at strategic, technical and operational levels.

Lack of access to plant and equipment

Your Committee was informed that most local contractors consisted of small workforces and undertook small and simple projects due to limited access to plant and equipment. Therefore, local contractors had a tendency to act as sub-contractors on medium to larger projects particularly road projects. Most local contractors pursued labour-intensive projects that provide low value-adding services to clients, with little differentiation in product and service quality.

Document preparation

Your Committee was also informed that local contractors had difficulties in preparing responsive bids. There was need to enhance the capacity of local contractors in preparing tender documents through continuous professional development.

Corruption and unfair competition

Your Committee was informed that corruption in public infrastructure procurement, as in so many other areas of public service, was linked to weak governance in legal, regulation, policy and institutional capacity. The nature of the construction industry and the manner in which infrastructure services were being operated created structural vulnerabilities that encouraged corruption. The construction sector was fragmented. Separate contracts were signed with project participants: such as design and engineering partnerships; professional surveyors; contractors; subcontractors; and suppliers of materials and components. Each participant belonged to a separate commercial unit, often with competing commercial objectives and no contractual responsibility to each other. Although the participants had to comply with various control mechanisms such as managing the cost and time of contractual changes set out in their contracts, these mechanisms could be ineffective. Where control mechanisms were weak, or had broken down, an environment was created where any two parties could enter into an agreement to bend the rules. Such arrangements in the market place lead to higher prices and significant cost overruns due to false claims. Subsequently, the practice reduces the resources available to the Government for other public services. In certain cases, long delays are caused by officials demanding payment to certify works resulting in the expected infrastructure services not being realised and thus creating pressure on existing services. Other ills of corruption include poor quality infrastructure leading to higher maintenance costs and a shorter life span of the physical infrastructure. A client could also be found liable for an accident caused by defective infrastructure for which it was responsible.

Delayed payments

Your Committee was informed that the Government was not paying contractors on various infrastructure projects within the contractual period. Recent examples include the stoppage of rehabilitation works on the Ndola-Kitwe Dual Carriageway and the Luangwa Bridge-Feira Road due to delayed payments. Further, according to the commonly used general conditions of contract under the International Federation of Consulting Engineers (FIDIC) red book, the employer was expected to pay the certified Interim Payment Certificates (IPC) within twenty-eight (28) days. In addition, the Engineer was expected to certify the measured works within twenty-eight (28) days. This means that the contractor had fifty-six (56) days of maximum waiting period from the submission date of the IPC to payment by employer. However, contractors had complained of delayed payment by employers, sometimes in excess of 6 months from the date of certification. As a result, contractors failed to meet their various contractual obligations and works had ended up costing much more than budgeted for due to claims and accrued interest.

The need for public institutions to outsource consultancy services

Your Committee was informed that stakeholders were of the view that Government agencies should desist from providing consultancy services to themselves. It was argued that the involvement of public agencies in consultancy subtracts from capacity development of the private sector. It was noted that public agencies were less innovative. This arose from the fact that they were not subjected to competition. An example was given of the replication of the design of the NRFA building by the Buildings Department for several other Government projects that followed. Further, your Committee was also informed that consultancy or professional

services referred to specialist services makes savings on time and material basis. It was not necessary to maintain these skills in-house, as they were a one-off requirement.

Lack of Zambian Construction Industry professionals in the Office of the Auditor General

Your Committee was also informed that Government ministries managed their documentation in accordance with official guidelines. These could often be inappropriate for efficient project management. However, due to the peculiar nature of construction projects, traditional auditors who had no background in construction could find it difficult to establish what caused inefficient project execution.

Procurement method

Your Committee learnt that many Zambian owned and registered architectural firms were small to medium sized, but well qualified and competent. However, their participation was limited to small private projects and excluded from medium to large Government projects because of the procurement methods used by the Government. For instance, in design and build, the design process happened side by side with the construction process. Apart from the fact that Zambia did not have the appropriate legal framework for this method, the manner in which it was being applied was preventing participation of many local architects. The design and build tenders were being administered in a manner which require complete designs with all construction drawings and bills of quantities. Apart from the wrong application of the method, the demand for a complete set of drawings was an expense that most local firms could not afford and as such most local architects could not participate and the work ended up in the hands of foreign architectural firms.

Indifference to provisions of the law of Zambia

Your Committee was informed that in many countries around the world, architecture was a Government regulated and licensed profession because it impacted on public health and safety. In Zambia, there is a law in the form of the *Zambia Institute of Architects Act Chapter 442 of the Laws of Zambia*. Under this law, all buildings particularly Government buildings must be designed by a Zambian Registered Architect who retains professional responsibility and liability. As a consequence of restrictive procurement conditions, non-registered architects and foreign architectural firms who did not carry any professional responsibility and liability end up taking commissions. This does not only make the country lose money, but impacts negatively on employment opportunities for Zambians. Further, many foreign companies investing in Zambia ignored the provisions of the *Architects Act* and engage foreign architects. This has restricted the participation of Zambian architects in even the most basic of construction projects.

Perceptions of lack of capacity

Your Committee learnt that there were perceptions of inadequate capacity among the Zambian architects and as such even the most basic of projects had been floated to foreign companies. This denies Zambian companies opportunity to participate. Apart from South Africa, Zambia was the first country in Southern African Development Community (SADC) to establish a school of architecture whose graduates are found around the SADC region and other countries. Zambian architectural firms were capable of working on any large scale and complex project.

PROGRAMMES THAT THE GOVERNMENT HAS PUT IN PLACE TO EMPOWER ZAMBIAN CONTRACTORS TO ACTIVELY PARTICIPATE IN THE CONSTRUCTION INDUSTRY

Your Committee was informed that the programmes that had been put in place to empower Zambian Contractors to actively participate in the construction sector were as set out below.

Preference and Reservation schemes

Your Committee learnt that the *Citizens Economic Empowerment Act No. 9 of 2006*, as read with Statutory Instrument No. 36 of 2011 and the *Public Procurement Act No. 12 of 2008*, provides for preference and reservation schemes in public procurement. The objective of the preference and reservation schemes is to enhance the meaningful participation of citizen-influenced, citizen-empowered and citizen-owned companies in public procurement. Reservation schemes set aside certain procurement requirements for citizen-influenced, citizen-empowered and citizen-owned companies by restricting bidding to these targeted citizen companies.

Thresholds for reservation schemes include:

- (a) public procurement of goods not exceeding K3 million; and
- (b) with respect to works:
 - (i) building construction works not exceeding K20 million; and
 - (ii) civil and road works not exceeding K30 million.

However, the values exceeding the thresholds prescribed in (a) and (b) above were not subject to reservation schemes.

Twenty (20) Per Cent Mandatory Sub-Contracting Policy

Your Committee learnt that the Government through the Ministry of Transport, Works, Supply and Communications had issued a policy to allow twenty (20) per cent of the large contracts obtained by foreign contractors to be assigned to local contractors. The objective of the policy was to enhance local contractors' participation in the construction industry and thus build their capacity. The policy, however, was only being applied in the Road Sector.

Affirmative Action for Youth Empowerment

Your Committee was informed that through the job creation and youth empowerment initiatives, the Government intends to build the contractor capacity by facilitating engagement of the local youths and co-operatives as subcontractors. This was with a view of according them the opportunities of:

- (i) acquiring skills and knowledge from the main contractors during their time of engagement;
- (ii) accessing and owning construction equipment through backed loans from commercial banks and possible equipment suppliers; and
- (iii) developing into independent and viable contractors capable of bidding for big jobs, among others.

Construction Finance Initiative (CFI)

Your Committee learnt that the Road Development Agency/National Road Fund Agency has signed a Memorandum of Understanding with some Zambian Commercial Banks and other organisations. The objective of the Memorandum of Understanding was to build capacity for the local road contractors. The purpose of the Memorandum of Understanding was to facilitate access to finance by local contractors in the construction Industry; following the Government's deliberate policy to award twenty (20) per cent sub-contracts to local contractors in the road sector. In the Initiative, the key stakeholders includes banks, insurance companies, suppliers of plant and equipment. Through the Memorandum of Understanding, the parties are committed to

partner in building the capacities of the local contractors by facilitating access to funding to enable them execute the contracts.

Restriction of Registration for Foreign Contractors

Your Committee was informed that the National Council for Construction has restricted the registration of foreign contractors to Grades one (1) to two (2) only. This means that international companies do not take part in tenders for works in grades three (3), four (4), five (5) and six (6). This is meant to enable the local contractors to compete favourably amongst themselves for contracts that fell in the lower grades.

Committee's Observations and Recommendations

Arising from the consolidated submissions, your Committee observes as follows:

- (i) the *National Council for Construction Act No. 13 of 2003* limits the punishment of erring construction companies to only those that undertake works for public sector contracts;
- (ii) the research conducted at the NCC which construction companies can rely on to improve their output is limited;
- (iii) the definitions of the 'citizen' companies as provided in the *Citizens' Economic Empowerment Act No. 9 of 2006* and in the *Public Procurement Act No. 12 of 2008* are different;
- (iv) despite the *Occupational and Safety Act No. 36 of 2010* being progressive, many construction companies (both local and foreign) do not follow the requirements of occupational health and safety;
- (v) high bank interest rates that currently range between twenty (20) to thirty (30) per cent, are a hindrance to the growth of local contractors;
- (vi) there is limited technical and managerial skills among local contractors in the construction industry;
- (vii) local contractors have a tendency to act as sub-contractors on medium to larger projects particularly road projects due to the limited access to plant and machinery;
- (viii) the nature of the construction industry and the manner in which infrastructure services are being operated by many professionals create structural vulnerabilities that encouraged corruption;
- (ix) the Government does not pay contractors for various infrastructure projects within the contractual period; for example, the delayment of rehabilitation works on the Ndola-Kitwe Dual Carriageway and the Luangwa Bridge-Feira Road due to delayed payments;
- (x) some foreign companies investing in Zambia are breaking the law by ignoring the provisions of *Zambia Institute of Architects Act Chapter 442 of the Laws of Zambia* and have engaged foreign architects to practice architecture in Zambia on pretext that Zambian architects lack capacity;
- (xi) there were perceptions of lack of capacity among Zambian architects and as such even the most basic of projects had been floated to foreign architectural companies with Zambian companies being denied an opportunity to participate; and
- (xii) the twenty (20) per cent mandatory sub-contracting to local contractors initiative was only being implemented in the road sector.

In view of the foregoing, your Committee recommends that:

- (i) the Government should amend the *National Council for Construction Act No. 13 of 2003* so that the NCC can also regulate and punish all the erring contractors that undertake works in the private sector;
- (ii) the Government should urge the NCC to enhance its research in relation to the construction sector;

- (iii) the Government should ensure that the *Citizens' Economic Empowerment Act No. 9 of 2006* and the *Zambia Public Procurement Act No. 12 of 2008* are harmonised so as to facilitate consistency in the definitions of 'citizen' companies provided in the Acts;
- (iv) industry specific regulations should be developed to assist with managing health, wellness and safety of workers in Zambia;
- (v) the Government should facilitate a construction bank that will enable contractors to access loans at reduced interest rates;
- (vi) the Government should encourage mentorship programmes in order to facilitate skills transfer to local contractors by foreign contractors;
- (vii) the Government should ensure that cooperatives schemes among contractors especially SME contractors are encouraged so that its easier for them to access equipment and other requirements;
- (viii) Government should undertake urgent measures to transfer all procurement of Government building works and supervision back to the Ministry of Transport, Works, Supply and Communications whose responsibility it was even before, in order to bring harmony and standardisation;
- (ix) the Government should put in place measures to ensure that contractors are paid on time;
- (x) the Government should enforce the *Zambia Institute of Architects Act Chapter 442 of the Laws of Zambia* in order to compel foreign companies investing in Zambia to ensure that only local architects are engaged in the designing of buildings particularly Government buildings;
- (xi) there is need for the Government to introduce a contractor rating system which should be in the custody of the NCC for all the sub sectors in the construction industry that would rate local contractors according to their possible performances. This would enable contracting agencies to identify low risk contractors for possible contract award thereby minimising the perception that local contractors were "poor performers"; and
- (xii) the twenty (20) per cent mandatory sub-contracting to local contractors in the road sector should be adopted for all construction activities and the threshold should be increased with a view to enhancing the participation of local contractors. In addition, there is need for the Government to make the twenty (20) per cent sub-contracting to local contractors policy into law so that all principal contractors are bound by law to implement the policy. The law should make it mandatory that the scope of works to be subcontracted is specified in the bidding document and the selection process of a sub-contractor should be transparent and supervised by the client or their agent and not left to the main contractor.

TOPIC 2: THE MANAGEMENT AND MAINTENANCE OF GOVERNMENT BUILDINGS IN ZAMBIA

7.0 Your Committee resolved to undertake a study on the Management and Maintenance of Government Buildings in Zambia due to concerns raised by stakeholders on the general deterioration and public safety concerns with regard to the state of Government Buildings. Further, concerns had been raised on the issue of accessibility of Government Buildings by persons with disabilities.

The following institutions made both written and oral submissions on the subject:

- (i) Ministry of Transport, Works, Supply and Communications;
- (ii) Hostels Board of Management;
- (iii) Zambia Agency for Persons with Disabilities; and
- (iv) the Commuter.

THE STATE OF GOVERNMENT BUILDINGS

Your Committee was informed that most of the Government buildings especially in rural and peri-urban areas were in a poor state as routine maintenance and periodic repair was in most cases never carried out. However, your Committee learnt that Government lodges listed below were in good condition and had been improved upon over the years:

- Longacres Lodge;
- Belvedere Lodge;
- Kabwe Lodge;
- Henry Makulu House;
- Lothian House;
- Mongu Lodge;
- Luangwa Lodge;
- Kasama Lodge;
- Mansa Lodge;
- Livingstone Lodge; and
- Solwezi Lodge.

Your Committee was informed that the Ministry of Transport, Works, Supply and Communications had also maintained the quarterly maintenance programme to keep the lodges in good condition.

CHALLENGES THAT ARE FACED IN THE MAINTENANCE AND MANAGEMENT OF GOVERNMENT BUILDINGS

Your Committee was informed that the challenges faced in the maintenance and management of Government buildings were as set out below.

- (a) The lodges in Provincial Centres other than those on the line of rail had inadequate skilled maintenance personnel from the Buildings Department.
- (b) There was insufficient regular maintenance programmes as these were only undertaken when officials from the Buildings Department are called upon to attend to defects due to insufficient manpower.
- (c) There were inadequate tools and equipment to be used for high-tech works and repairs on fittings and fixtures.
- (d) In most cases, very little could be done to improve on the buildings as it would disturb the solid base of the buildings due to the types of design and age of buildings.
- (e) There was inadequate maintenance staff at district and provincial levels as most of them were laid off in 1998, during the Public Service Reform Programme. The understanding at the time was that maintenance jobs would be given to Small Scale Contractors. However, this has not worked.
- (f) There was lack of professional input in analysis and ranking of critical maintenance works leading to irrational approach to maintenance works.

MEASURES PUT IN PLACE BY THE GOVERNMENT TO ENSURE THAT GOVERNMENT BUILDINGS ARE WELL MAINTAINED

Your Committee was informed that the Ministry of Transport, Works, Supply and Communications was aware that the mandate for maintenance of Government buildings falls under it, however, budgeting for maintenance of Ministerial and other Public buildings was now catered for by the individual line Ministries as opposed to the past where budget lines for maintenance of all Government buildings was channelled through the then Ministry of Works and Supply. The low budgetary ceiling does not allow the Ministry to adequately provide for maintenance and thus the Ministry was only able to provide for maintenance of VIP houses and other state facilities.

Your Committee was further informed that the Government had developed a Maintenance Policy for Government buildings which when approved by Cabinet would guide Ministries, Provinces and other Spending Agencies (MPSAs) on how to ensure that all Government buildings were well maintained. In the draft Policy, it was proposed that all the MPSAs would be required to provide between three (3) and five (5) per cent of their respective budgetary allocations to cater for the maintenance of Government buildings.

Your Committee was also informed that the Hostels Board of Management was considering utilising the Public Private Partnership Investment programme to engage the Private Sector to improve its Lodges through the Build Operate and Transfer (BOT) initiative. This would enhance the standard of the lodges with modern facilities and be able to compete effectively in the Hospitality Industry.

ACCESSIBILITY OF GOVERNMENT BUILDINGS TO PERSONS WITH DISABILITIES

Your Committee was informed that some Government buildings were accessible to persons with disabilities, to some extent. However, most of Government buildings were built before it became mandatory to avail equal access to public buildings to all persons including those with disabilities and as such most of the buildings did not have access for persons with disabilities. For most of the newly constructed buildings, ramps and elevators have been incorporated in the designs to give wheel chair persons access to all the parts of any building. In addition, since the enactment of the *Persons with Disabilities Act No. 6 of 2012*, most of the old high-rise Government buildings were being modified to incorporate ramps and elevators, for example, the Ministry of Justice had been modified with ramps and elevators.

Your Committee was also informed that the Hostels Board Lodges which were built in 1957, did not provide for disabled persons especially those on wheel chairs to access upper floors such as Lothian House, Henry Makulu and Luangwa House. However, the newly constructed lodge in Solwezi had provision of ramps to give wheel chair bound persons access to the ground floor which had rooms especially designed for such persons.

Committee's Observations and Recommendations

Arising from the submissions above, your Committee observes as follows:

- (i) most of the Government buildings especially in rural and peri-urban areas are in a poor state as maintenance and periodic repair is in most cases never carried out;
- (ii) lodges in provincial centres other than those on the line of rail have inadequate skilled maintenance personnel from the Buildings Department;
- (iii) the tools and equipment being used for high-tech works and repairs on fittings and fixtures are inadequate;
- (iv) the lack of professional input in analysis and ranking of critical maintenance works leads to

- irrational approach to maintenance works; and
- (v) budgeting for maintenance of Ministerial and other Public buildings is catered for by the individual line ministries and spending agencies.

In view of the foregoing, your Committee recommends that:

- (i) the Government should expedite the process of developing the Maintenance Policy for Government buildings which when approved by Cabinet will guide MPSAs on how to ensure that all Government buildings are well maintained;
- (ii) the Government should ensure that adequate skilled personnel are recruited in the Buildings Department;
- (iii) the Government should ensure that adequate tools and equipment are procured in order to be used for high-tech works and repairs on fittings and fixtures;
- (iv) the Government should ensure that there is professional input in analysis and ranking of critical maintenance works; and
- (vi) budget lines for maintenance of all Government Buildings should be channelled through the Ministry of Transport, Works, Supply and Communications as this will bring about harmony and standardisation.

PART II

FOREIGN TOUR TO KENYA

Your Committee undertook a foreign tour to Kenya. The objectives of the tour were to learn the best practices in the maintenance and management of Government buildings and the empowerment of local contractors in the nation's construction industry.

Your Committee visited the following institutions:

- (i) the National Construction Authority(NCA);
- (ii) the Ministry of Land, Housing and Urban Development;
- (iii) Landmark Holdings Limited-the Ministry of Energy and Petroleum-building site;
- (iv) Ongata Works Limited-the Kenya National Examinations Council-building site; and
- (v) Dickways Construction Company Limited- housing project building site.

Your Committee's key findings were as set out below.

- (a) The Kenyan Government had a National Youth Service which trained youths in all aspects and the ones trained in construction were partnered with the National Construction Authority (NCA). The trained youths recently constructed a clinic, police posts, small shops and toilets at Kibera, a lower settlement area in Nairobi.
- (b) The NCA collects a construction levy of five (5) per cent on all projects with a construction value of above 5 million Shillings (K4.4 million). The construction levy was used to conduct research and capacity building for local contractors.
- (c) The Kenyan Government issued a policy to allow thirty (30) per cent of the contracts obtained by foreign contractors to be sub contracted to local contractors.
- (d) Foreign contractors in Kenya were mandated to provide a programme to the NCA on how skills would be transferred to the local sub-contractors as a bidding requirement.
- (e) Foreign contractors in Kenya were only allowed to register for one project at a time.
- (f) Big architectural firms in Kenya submitted architectural designs to the NCA which were subsequently given to small scale contractors at a minimal fee or on pro bono depending on the financial status of the contractor.

- (g) The Kenyan Government allocated maintenance funds in the national budget which were domiciled in the client ministries.
- (h) The Kenyan Government had a policy document on maintenance and management of public buildings which had been approved by Cabinet and was ready to be presented to Parliament. In the policy document, the Kenyan Government has provided for planned periodic maintenance to be done in cycles of five years where all buildings would be systematically refurbished and there is also provision for routine maintenance for Government Buildings.
- (i) The Kenyan Government has embarked on completing all the unfinished Government Buildings in Kenya.
- (j) All contractors in Kenya were required to contract the services of registered local architects.
- (k) All contractors in Kenya were mandated to submit documents to the NCA immediately a project was contracted for both Government and private sector projects.
- (l) Contractors in Kenya were borrowing money from banks at bank interest rates of 14 to 16 percent.
- (m) Ongata Works Limited was owned by an indigenous Kenyan. The firm had all the necessary equipment which was also hired out to other firms. Further, it belongs to NCA-class 1 which is the equivalent of NCC grade one in Zambia.
- (n) Dickways Construction Company Limited was also owned by an indigenous Kenyan who also had all the necessary equipment. The Company was currently constructing a massive housing complex.
- (o) The Kenyan Government has enacted a new Constitution which gives counties responsibilities over certain buildings.
- (p) The Kenyan Government was constantly streamlining its processes to increase efficiency in delivery of projects.
- (q) Global shifts in project management have required the Kenyan Government to re-engineer its project management systems and structures. The Directorate in the Ministry of Land, Housing and Urban Development was now using a team-based management system. Each team comprised of technocrats with various professional qualifications required to carry out top Governments projects.
- (r) The Kenyan Government has enhanced its collaboration with professional registration and welfare bodies such as the Board of Registration of Architects & Quantity Surveyors (BORAQs), the Institute of Quantity Surveyors of Kenya (IQSK), the NCA, and the Institute of Engineers of Kenya (IEK) to enhance industry regulation.
- (s) The Kenyan Government pays contractors on various infrastructural projects within the contractual period.

Committee's Observations and Recommendations

Arising from the findings, your Committee observes as follows:

- (a) the Kenyan Government has a National Youth Service which trains youths in all aspects and the ones trained in construction are partnered with the National Construction Authority;
- (b) the NCA collects a construction levy of five (5) per cent on all projects with a construction value of above 5 million shillings (K4.4 million) which is used to conduct research and capacity building for local contractors;
- (c) the Kenyan Government has issued a policy to allow thirty (30) per cent of the contracts obtained by foreign contractors to be sub contracted to local contractors;
- (d) foreign contractors in Kenya are mandated to provide a programme to the NCA on how skills will be transferred to the local sub-contractors;
- (e) foreign contractors in Kenya are only allowed to undertake one project at a time;

- (f) the Kenyan Government allocates maintenance funds in the national budget which are domiciled in the client ministries;
- (g) the Kenyan Government has a policy document on maintenance and management of public buildings which was approved by Cabinet and was ready to be presented to Parliament;
- (h) contractors in Kenya were borrowing money from banks at bank interest rates of fourteen (14) to sixteen (16) per cent; and
- (i) contractors are paid within the contractual period.

In view of the foregoing, your Committee recommends that:

- (a) there is need for the Zambian Government to increase the enrolment of youths in construction training institutions and ensure that youths that are trained in these institutions are attached to various projects facilitated by the NCC;
- (b) the Zambian Government should consider introducing a construction levy and there should also be increased funding to the NCC to enable it conduct adequate research and build capacity for local contractors;
- (c) the Zambian Government should increase the percentage that foreign contractors are mandated to sub-contract to local contractors;
- (d) foreign contractors should be mandated to provide a programme to the NCC on how skills will be transferred to the local sub-contractor;
- (e) the Zambian Government should ensure that foreign contractors are only allowed to undertake one project at a time;
- (f) there is need for the Zambian Government to allocate maintenance funds in the national budget which should be domiciled in the client ministries;
- (g) the Zambian Government should expedite the process of developing the Maintenance Policy for Government buildings which when approved by Cabinet will guide MPSA on how to promote and ensure that all Government buildings are well maintained;
- (h) the Government should facilitate a construction Bank that will enable contractors to access loans at reduced interest rates; and
- (i) the Government should put in place measures to ensure that contractors are paid on time.

PART III

CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE ON COMMUNICATIONS, TRANSPORT, WORKS AND SUPPLY FOR THE THIRD SESSION OF THE ELEVENTH NATIONAL ASSEMBLY

PART I

TOPIC 1: PUBLIC PRIVATE PARTNERSHIP (PPP) IN INFRASTRUCTURAL DEVELOPMENT IN ZAMBIA

A. Creation of Public Private Partnership (PPP) Sub-Units

Your previous Committee had recommended that there was need to create dedicated PPP Sub-Units in the contracting authorities that should also be staffed with trainable staff to enable the country implement PPP projects.

Executive's Response

Your Committee was informed that the Government had taken note of the recommendation and the need for the creation of PPP Sub-Units to help provide technical and non-technical support to various stakeholders involved in PPP. The sub-units would be able to correlate the expertise of financial and legal experts, procurement specialists including designers, engineers, quantity

surveyors and buyers. Further, the Government would ensure that these units would be managed by well trained personnel.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

B. PPP regulations and manuals

Your previous Committee had recommended that PPP regulations, guidelines and manuals for implementing PPP projects should be developed in collaboration with all key agencies involved in PPP. Contracting authorities needed to closely liaise with the PPP Unit under ZDA to ensure that it developed PPP regulations and manuals to be used in the planning, design, procurement and implementation of the PPP Projects in line with the *Public Private Partnership Act of 2009* and other Government policies and directives.

Executive's Response

Your Committee was informed that the Government took note of the recommendation of your Committee and in 2013, through the Ministry of Finance, commenced the process of preparing regulations with respect to the *Public-Private Partnerships (PPP) Act No. 14 of 2009*. However, your Committee was informed that the process would be continued once the Government decision to transfer the functions of the PPP Unit from the Ministry of Finance to Zambia Development Agency (ZDA) had been fully implemented as the process would require amending the *Public-Private Partnerships (PPP) Act* on which these regulations should be anchored. The documents would therefore be finalised once the *Public-Private Partnerships (PPP) Act* had been amended.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the amendments to the *PPP Act* and regulations as well as the progression guidelines and manuals to be developed for use in the implementation of PPP projects.

C. Procurement Process

Your previous Committee had recommended the Government to put up measures to strengthen the procurement process and ensure that there was transparency in the awarding of PPP contracts and encourage competitive tendering of bids, free of patronage and political influence.

Executive's Response

It was reported in the Action-Taken Report that the objective of a PPP procurement process was to ensure that the Government was able to contract for the desired services in a manner that would ensure the affordability, value for money and significant transfer of risk to the private sector. Further, the principle characteristics of a PPP procurement process were competitiveness, transparency, and objective selection criteria.

Committee's Observations and Recommendations

Your Committee notes the response and requests the Government to clearly state the measures that have been put up to strengthen the procurement process and ensure that there is transparency in the awarding of PPP contracts.

D. Project Implementation, Monitoring And Contract Management

Your previous Committee had recommended that the Government should develop mechanisms for project implementation, monitoring and contract management, within the PPP unit and line ministries.

Executive's Response

Your Committee was informed that the Government was in the process of developing mechanisms that would include the three main functions of contract management broadly described as follows:

- partnership management;
- service delivery management; and
- contract administration.

Committee's Observations and Recommendations

Your Committee notes the response and requests the Government to expedite the process of developing these mechanisms. Further, your Committee requests a progress report on the matter.

E. Revision of the *Public Private Partnership Act of 2009*

Your previous Committee had recommended that the Government should urgently review the *Public Private Partnership Act of 2009*, so as to address the current challenges in the sector.

Executive's Response

It was reported in the Action-Taken Report that the Government had taken note of the recommendation of your Committee to review the *Public-Private Partnerships (PPP) Act No. 14 of 2009*, so as to address the challenges in the sector. The draft Public-Private Partnerships (Amendment) Bill had been prepared. However, the process of finalising the draft Amendment Bill would include extensive consultations with key stakeholders as the implementation of PPP Projects was multi-sectoral in nature. Therefore, a mechanism that would ensure that the Bill took into account functions of the key players in the PPP process in order to enhance the efficiency and effectiveness of the process was required. Once the consultative process had been finalised, the Bill will be presented to Parliament for amendment.

Committee's Observations and Recommendations

Your Committee in noting the response, requests the Government to expedite the process and awaits a progress report on the matter.

TOPIC 2: THE STATE OF RAILWAY INFRASTRUCTURE IN ZAMBIA

A. Relocation of Illegal Settlers

Your previous Committee had recommended that the Government should ensure that the illegal settlers on the railway reserve land were relocated and stiff penalties were enforced on anyone found to be encroaching the Railway line.

Executive's Response

It was reported in the Action-Taken Report that Zambia Railways Limited in liaison with the Provincial Administration, District Commissioner's Office and Area Members of Parliament had started relocating illegal settlers on the railway reserve land. Further, anyone found encroaching the railway line would be prosecuted.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

B. Maintenance of Rolling Stock

Your previous Committee had recommended that the Government should ensure that new plant machinery, equipment and tools to be used in the maintenance of rolling stock were made available to Zambia Railways Limited.

Executive's Response

Your Committee was informed that Zambia Railways Limited (ZRL) was being considered by the Government for another recapitalisation funding, which would go towards infrastructure rehabilitation and maintenance and upgrading stations and rolling stock procuring. Government was, therefore, expecting ZRL to procure new plant machinery, equipment and tools to be used in the maintenance of rolling stock out of the funding.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the recapitalisation funding meant to go towards infrastructure rehabilitation and maintenance and upgrading stations and rolling stock procuring.

C. Revision of the Tanzania Zambia Railway Act

Your previous Committee had urged the Government to liaise with the Tanzanian Government and revise the *Tanzania Zambia Railway (TAZARA) Act of 1995* to provide for modalities of strengthening the commercial operations of the Institution.

Executive's Response

Your Committee was informed that the Government through the Ministry of Transport, Works, Supply and Communications began the process of revising the *Tanzania Zambia Railway (TAZARA) Act of 1995* in 2013. The revision process was now being concluded in order to provide for modalities of strengthening the commercial operations of the institution.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

D. Adequate Funding

Your previous Committee had urged the Government to liaise with the Tanzanian Government and put in place measures to ensure that TAZARA was adequately funded to enable it conduct its operations.

Executive's Response

It was reported in the Action-Taken Report that the two shareholding Governments of Tanzania and Zambia acknowledged that the bold decision to fund both the working capital and recapitalisation funding at once was required in order to assist TAZARA come out of the current doldrums. To this effect, TAZARA council of ministers approved US\$80 million for the 2014/2015 budget. US\$9.26 million would be released immediately for working capital and the remainder would be released to TAZARA during the 2014/2015 financial year. The Board of Directors for TAZARA also after reviewing the Act discovered that TAZARA for so long had been operating against S. 4(4) of the *Tanzania Zambia Railway (TAZARA) Act of 1995*, which provides for decentralisation. Such departure from the law has not yielded any positive results. To enable TAZARA conduct its operations economically and profitably, the Board had now put in place corrective measures and directed management to invoke the provision of the law. Further, TAZARA had now decentralised operations to the regions of Zambia and Tanzania so that they would be self-sustaining units as cost and profit centres operating on commercial principles.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

E. TAZARA stations

Your previous Committee had recommended that the Government should liaise with the Tanzanian Government and ensure that the TAZARA stations at Kapiri-Mposhi, Serenje, Mpika, Kasama, Chozi and Nakonde were given the necessary facelifts.

Executive's Response

Your Committee was informed that the Government through the Ministry of Transport, Works, Supply and Communications had designated US\$40 million to subvent to TAZARA and most of these resources would be applied on TAZARA rail infrastructure between Nakonde and Kapiri-Mposhi. The facelift of the stations along the stretch would receive priority.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the facelift of the stations at Kapiri-Mposhi, Serenje, Mpika, Kasama, Chozi and Nakonde.

F. Capacity for training

Your previous Committee had recommended that the Government should ensure that measures to enhance capacity for training in the railway sector were put in place.

Executive's Response

It was reported in the Action-Taken Report that the Government had instructed TAZARA and Zambia Railways Limited to revamp the Training Centres in Mpika and Kabwe respectively as they received funding towards working capital and recapitalisation in order to enhance capacity for training in the railway sector.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the revamping of the TAZARA and Zambia Railways Limited Training Centres in Mpika and Kabwe respectively.

PART II

LOCAL TOUR TO LUSAKA, CENTRAL, COPPERBELT, MUCHINGA AND EASTERN PROVINCES

A. Modern machinery

Your previous Committee had recommended that the Government should ensure that modern machinery to be used in the rehabilitation process was made available to ZRL.

Executive's Response

Your Committee was informed that Zambia Railways through Government funding and its own financing had ordered modern machinery to be used in the rehabilitation process. Further, the Government would continue emphasising to ZRL management on the importance of using modern machinery in rehabilitation or maintenance processes in the railway industry for precision.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

B. New Locomotives

Your previous Committee had urged the Government to consider investing in the acquisition of new locomotives.

Executive's Response

It was reported in the Action-Taken Report that the next programme on the ZRL agenda was the procurement of new rolling stock, and Government and ZRL management were in the process of procuring rolling stocks.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

C. Upgrading Workshops

Your previous Committee had urged the Government to ensure that workshops were upgraded to at least meet the minimum standards required for a workshop.

Executive's Response

Your Committee was informed that Government through the Transport Department in the Ministry of Transport, Works, Supply and Communications was in the process of constituting a working team of experts to be inspecting the workshops of the railway companies to ensure adherence to standards.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

D. Securing Infrastructure

Your previous Committee had recommended that the Government should explore means and ways of securing the infrastructure which was being vandalised by amending the *Railways Act* and also the Penal Code applicable to stiffen punishments on vandalism.

Executive's Response

Your Committee was informed that measures to address the situation were already in the proposed repeal bill of the *Railways Act*.

Committee's Observations and Recommendations

Your Committee notes the response and resolves to await a progress report on the enactment of the proposed repeal bill of the Railways Act.

E. Outstanding Terminal Benefits

Your previous Committee had urged the Government to clear the outstanding terminal benefits owed to the Railway Systems of Zambia former workers, expeditiously.

Executive's Response

It was reported in the Action-Taken Report that the Government was very committed to paying off the terminal benefits owed to the Railway Systems of Zambia former workers, expeditiously. To this effect, the Government had constituted a team of experts to resolve the outstanding issues that surround RSZ outstanding debts expeditiously. The committee had already finished the establishment of the owed amount. Soon after resolving all issues surrounding such payments, the Railway Systems of Zambia former workers would be paid their benefits.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

F. Haulage business

Your previous Committee had urged the Government to ensure that the haulage business was depoliticised.

Executive's Response

Your Committee was informed that there were rumours of the haulage business being politicised or rather manipulated to serve some interest groups from Zambia's neighbouring country/ies. This was a matter which posed great challenges as it was external in nature. However, since all linking land transport routes were of interest not only to Zambia and her neighbouring countries but the region as a whole, the Government through the Ministry of Transport, Works, Supply and Communications was considering a number of alternatives in the interest of the nation and the region as a whole in order to allow smooth flow of passengers and freight through these routes.

Committee's Observations and Recommendations

Your Committee notes the response and requests the Government to clearly state the measures that have been in place to depoliticise the haulage business.

G. Performance audit

Your previous Committee had urged the Government to ensure that the Office of the Auditor-General should carry out a performance audit on the utilisation of the US\$120 million portion of the Eurobond.

Executive's Response

Your Committee was informed that the Government had intentions of asking the Auditor-General to carry out a performance audit on the utilisation of the US\$120 million portion of the Eurobond at the end of business.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the performance audit on the utilisation of the US\$120 million portion of the Eurobond.

H. Recapitalisation programme

Your previous Committee had recommended that the Government should continue its recapitalisation programme to ZRL especially considering their Greenfield projects which could be an answer to the problems currently faced on the state of roads.

Executive's Response

It was reported in the Action-Taken Report that the Government was already working on the green field railway projects; conducting feasibility studies on the green field projects and production of detailed engineering drawings. The Government through the Ministry of Transport, Works, Supply and Communications was also engaged in discussions with potential private companies, Zambia Development Agency (ZDA) and the Public Private Partnership unit regarding construction of new railway lines.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

TANZANIA-ZAMBIA RAILWAY AUTHORITY

A. Competitive Rail Transport

Your previous Committee had urged the Government to put in place measures to make rail transport competitive so that equipment was not underutilised.

Executive's Response

It was reported in the Action-Taken Report that in the quest to put in place measures to make rail transport competitive, the Government did consider a number of factors leading to poor competitiveness of railway transport. Some of the factors were low speeds, discriminate funding to the road sub-sector at the expense of other modes, railway derailments, security, poor communication and signalling facilities, lack of fuel, employee demotivation due to none payment of salaries, poor infrastructure such as stations, long transit times and trucks hauling cargo at remarkably low prices especially return trips.

The Government identified these factors as linked to transport management or policy, capital injection and recapitalisation funding. Therefore, shareholding Governments were providing the funding and restructuring management such as that of the TAZARA. The Government hoped that with the financial provisions and the restructuring of TAZARA, the managements of the railway companies would be able to make the companies competitive. Furthermore, regarding trucks

hauling cargo at remarkably low prices especially return trips, the Zambian Government was considering a number of ways to encourage most freight to go on rail, such as building of dry ports at the county's borders to facilitate inter-modal exchange and for quota or relay system. Plans were underway to consider introduction of intelligent systems, particularly the electronic road pricing (ERP) for trucks on truck congested routes.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

B. Overhaul of Top Management

Your previous Committee had recommended that there was need for a complete overhaul of top management at TAZARA.

Executive's Response

Your Committee was informed that the matter was already under consideration by the Board and Council of Ministers of TAZARA, especially that the operations had been decentralised to the regions of Zambia and Tanzania.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the overhaul of top management at TAZARA.

C. Workers Salaries

Your previous Committee had recommended that there was need for the Zambian and Tanzanian Governments to liaise and ensure that workers' salaries were up to date.

Executive's Response

It was reported in the Action-Taken Report that the shareholding Governments through the Ministry of Transport, Works, Supply and Communications were concerned with the matter of TAZARA's none payment of workers' salaries on time. To this effect, the Government had released US\$2.96 million to clear salary arrears up to July, 2014.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the matter.

D. Proper and Specified Contracts

Your previous Committee had recommended that there was need for the Government to put in place measures that would compel TAZARA to ensure that workers operated on proper and specified contracts.

Executive's Response

It was reported in the Action-Taken Report that the Government through the TAZARA Board had instructed TAZARA management to ensure that workers operated on proper and specified contracts. To this effect, the Board had drafted performance contracts for all senior management officers, stipulating key performance areas, results and strict time frame.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

E. Safe Communication Devices

Your previous Committee had recommended that the Government should compel management to acquire safe communication devices.

Executive's Response

Your Committee was informed that both ZRL and TAZARA were procuring new and hi-tech signalling and communication systems with safe communication devices.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

F. Fuel for use in the locomotives

Your previous Committee had recommended that the Government should ensure that fuel for use in the locomotives was adequately supplied to TAZARA.

Executive's Response

It was reported in the Action-Taken Report that the Government was ensuring that fuel was adequately supplied to TAZARA by providing working capital and recapitalisation funding at once, thereafter TAZARA was expected to be self-sustaining.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

G. Payment of retirees

Your previous Committee had recommended that the Government, in collaboration with its counterparts in Tanzania, should ensure that TAZARA retirees were paid off.

Executive's Response

Your Committee was informed that after releasing US\$2.96 million to clear salary arrears, the Government would release US\$12.5 million to pay off outstanding dues to retirees including senior managers.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

KASUMBALESA AND NAKONDE BORDER POSTS – PUBLIC PRIVATE PARTNERSHIP PROJECTS

A. Rehabilitation programme

Your previous Committee had urged the Government to explore all options including allowing some portion of funds for rehabilitation or simply coming up with a rehabilitation programme for all border facilities.

Executive's Response

It was reported in the Action-Taken Report that the Government had under the Private Sector Development and Reform Programme (PSDRP) continued to pursue the concept of one-stop-border to be extended to all entry points with the possibility of generating extra resources that could be dedicated to management of the borders including the rehabilitation. Various ministries including the Ministries of Commerce, Trade and Industry; Communications, Transport, Works and Supply; Agriculture and Livestock; Home Affairs; and Finance and their agencies operating from the borders were working together to develop options to improve not only trade facilitation, but border management.

Your Committee was also informed that revenues raised at the border facility were collected by different agents operating at the border. In the past, when some of the funds were allowed to be returned by the collectors, these were put to different uses according to each department's needs and not the general needs of the border post such as rehabilitation of the facilities. In the case of Kasumbalesa, where the facility was run by one agent, it had become possible to put

aside non-tax revenues collected by the lead agent (ZRA) for rehabilitation and maintenance of the border facilities such as the car park and other general facilities put in place under the PPP arrangement. This had been made possible since there was one lead agency and additional resources generated by the border specifically for operating and maintaining facilities.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the rehabilitation programmes to be initiated at Nakonde border post.

B. Additional offices

Your previous Committee had urged the Government to ensure that additional offices were built at the borders especially at Nakonde.

Executive's Response

It was reported in the Action-Taken Report that there were on-going works at Nakonde border post expected to be completed in the 4th quarter of 2014. Completion of the project would increase office accommodation and parking space at the Border facility. The proposal for road works involves expanding the roads by creating additional lanes to lessen congestion currently being experienced at the border. Further, your Committee was informed that the Government was in the process of acquiring additional land for Border post expansion. Plans were in place to construct additional office space to house other Border agencies once the land had been acquired.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the on-going works at Nakonde border post.

C. Work in progress

Your previous Committee had recommended that the Government should take up the work in progress that was left by the concessionaire at Kasumbalesa border post.

Executive's Response

Your Committee was informed that the border facility had been completed by the concessionaire. What remained was the construction of staff houses at Kasumbalesa border post. Due to financial constraints, the Government was unable to construct the staff houses. However, proposals had been made to provide for resources for construction of staff houses in the 2015 budget.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the construction of the staff houses.

LUBURMA MARKET

A. Programme of maintenance

Your previous Committee had recommended that the Government should ensure that the programme of maintenance was clearly stated and not wait upon requests from clients.

Executive's Response

It was reported in the Action-Taken Report that currently, the shops on site were let out by the developer as per term of the Contract and it was his responsibility to undertake periodic maintenance. The Developer also determined the rentals payable from those shops. The Developer was also paying rates to the Council in respect of the shops in the market. The

concerns on the maintenance of buildings in the market would have to be brought to the attention of the Developer for redress.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

PART III

CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE ON COMMUNICATIONS, TRANSPORT, WORKS AND SUPPLY FOR THE SECOND SESSION OF THE ELEVENTH NATIONAL ASSEMBLY

A. AIRPORT INFRASTRUCTURE

(i) Simon Mwansa Kapwepwe

Your previous Committee had requested a progress report on the construction of the new Simon Mwansa Kapwepwe International Airport in Ndola.

Executive's Response

Your Committee was informed that a team of officers from the Surveyor General's Office, the Civil Aviation Authority and National Airports were scheduled to travel to Ndola for the Survey and Mapping of the new Airport land before the end of the 3rd quarter of 2014. Thereafter, the Contractor shall be granted site possession in readiness for works to commence.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the construction of the new Simon Mwansa Kapwepwe International Airport in Ndola.

(ii) Southdowns and Kasompe Aerodromes

Your previous Committee had requested a progress report on the matter.

Executive's Response

Your Committee was informed that currently, no maintenance had been conducted at the aerodromes yet due to manpower constraints, but the aerodromes would be considered before the end of the fourth quarter of 2014.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the maintenance of these aerodromes.

B. UPGRADING AERODROMES

New infrastructure at international airports

Your previous Committee had requested an update on the upgrading of infrastructure at the four international airports and the existing provincial airports country wide.

Executive's Response

It was reported in the Action-Taken Report that the New International Terminal Building at Harry Mwaanga Nkumbula International Airport had almost been completed and there was a partial handover in 2013, making the Terminal partially operational. Further, the project on the new International Terminal at Kenneth Kaunda International Airport had in essence started as the awarded contractor, China Jianxi, was granted site possession and the twenty (20) per cent initial payment was made by the Government. The project was scheduled to be completed in three years. For the ten (10) selected aerodromes, to be upgraded to bituminous standard,

contracts were awarded to three (3) different contractors in three (3) different Lots. Lot 1, comprising Mkushi, Serenje, Mpika and Chinsali was awarded to China Jiangsu; Lot 2, comprising Luwingu, Mporokoso and Isoka was awarded to BSBK in joint venture with Lake Shores Engineering Private Limited; and Lot 3, comprising Nakonde, Chama and Chadiza was awarded to China Civil Engineering.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

C. SAFETY AND SECURITY EQUIPMENT AT AIRPORTS

(i) Procurement of surveillance radar

Your previous Committee had requested a progress report on the matter.

Executive's Response

It was reported in the Action-Taken Report that the tender to supply and install a Surveillance Radar was awarded to Thales Limited of France at tender sum of 13,535,531 Euros and a twenty (20) per cent of which had already been paid by the Government. A team of experts was sent from 29th June to 6th July, 2014, to conduct Factory Acceptance Tests, which were successful. The Government was about to make a contractual seventy (70) per cent payment by end of the 3rd quarter 2014, to pave way for the shipping and installation works to proceed.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

(ii) Modernisation of key navigation equipment

Your previous Committee had requested a progress report on the matter.

Executive's Response

Your Committee was informed that during Radar installation, an Airspace Study was to be conducted which would inform the most effective and prioritisation of equipment required before the procurement of any equipment. The last such study was in 1989. The Government had budgeted K6,000,000 for the equipment in 2014.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

(iii) Control towers

Your previous Committee had requested a progress report on matter.

Executive's Response

It was reported in the Action-Taken Report that the Control Towers at Kenneth Kaunda, Simon Mwansa Kapwepwe, Harry Mwaanga Nkumbula and Mfuwe International Airports were going to be enhanced and rehabilitated.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the rehabilitation of the control towers at the Kenneth Kaunda, Simon Mwansa Kapwepwe, Harry Mwaanga Nkumbula and Mfuwe International Airports.

(iv) Weather equipment

Your previous Committee had requested a progress report on the matter.

Executive's Response

Your Committee was informed that the Meteorological Department had acquired Automatic Weather Stations for various aerodromes.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on whether the acquired equipment has been installed at various aerodromes.

CONSIDERATION OF MATTERS ARISING FROM LOCAL TOURS

The previous Committee had visited eleven aerodromes namely: Kenneth Kaunda International Airport (KKIA); Simon Mwansa Kapwepwe International Airport (SMKIA); Harry Mwaanga Nkumbula International Airport (HMNIA); Mfuwe International Airport; Chipata Airport; Kasama Airport; Kasaba Bay Airport; Kabwe Airstrip; Mkushi Airstrip; Serenje Airstrip and Mpika Airstrip.

A. MFUWE INTERNATIONAL AIRPORT

(i) Safety of the travelling public

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that the National Airport Corporation Limited embarked on fencing the airport to deter animals from entering airport premises.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the fencing of the airport to deter animals from entering Airport premises.

(ii) Secure Airport land

Your previous Committee had requested an update on the matter.

Executive's Response

It was reported in the Action-Taken Report that the process of surveying of all government aerodromes for the acquisition of Title Deeds was on-going. Chipata Airport was amongst the aerodromes being surveyed.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

B. CHIPATA AIRPORT

(i) Security at the Airport

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that the enhancement of security at the Airport was going to improve as Aviation Security was being considered for inclusion under the establishment.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

(ii) Crash Aid Bay

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that the project had progressed and was ninety (90) per cent complete. Further, completion was estimated to be by 31st October, 2014, due to changes in the scope of works to include porcelain tiles which were not in the design.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

(iii) Relocation of the runway

Your previous Committee had strongly emphasised that Chipata Airport should be relocated. Further, your Committee requests a progress report on the matter.

Executive's Response

It was reported in the Action-Taken Report that Chipata Airport had not yet been relocated.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

C. KASAMA AIRPORT

(i) Fire station

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that the Fire Station had not yet been constructed but the Fire Tenders were currently sheltered in a temporary old hanger at the Airport.

Committee's Observations and Recommendations

Your Committee noted the response and requested an update on the matter.

(ii) Runway upgrade

Your previous Committee had requested an update on the matter.

Executive's Response

It was reported in the Action-Taken Report that the tendering was done and the Contractor had been given site possession to commence works.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

(ii) Construction of the bridge across the Lufubu River

Your previous Committee had requested a progress report on the construction of a bridge across the Lufubu River.

Executive's Response

It was reported in the Action-Taken Report that the Government was still in the process of procuring a consultant to do the design for the Lufubu Bridge on the Lufubu River. It was however, envisaged that the consultancy services would commence before the end of 2014. Construction works would commence in the last quarter of 2015 subject to availability of funds.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

I. Kabwe Airstrip

(i) Upgrading of airstrip

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that the programme was on-going in phases and Kabwe would be considered when funds were available.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

(ii) Prevention from encroachment

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that surveying of all Government aerodromes was on-going and Kabwe would be considered.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE COMMITTEE'S REPORT FOR THE FIRST SESSION OF THE ELEVENTH NATIONAL ASSEMBLY

THE MANAGEMENT AND UTILISATION OF GOVERNMENT VEHICLES IN ZAMBIA, VIS-AVIS THE ROLE OF THE ENGINEERING SERVICES CORPORATION (ESCO) LIMITED

A. ESTABLISHMENT OF WORKSHOPS AT PROVINCIAL CENTRES

Your previous Committee had requested a progress report on the matter.

Executive's Response

It was reported in the Action-Taken Report that the authority was being awaited from Cabinet Office to upgrade the Government Transport Control Unit (GTCU) into a department. However, proposed costs to build workshops in all Provincial Centres were submitted to Cabinet Office in early 2013. The cost had been arrived at in liaison with architects from Buildings Departments.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

B. DETERMINATION OF SUITABILITY OF VEHICLES PURCHASED

Your previous Committee had requested a progress report on the matter.

Executive's Response

It was reported in the Action-Taken Report that the Ministry of Transport, Works, Supply and Communications was awaiting the signing and release of the Transport Policy by Cabinet Office in which all matters concerning the recommended models and even engine sizes were outlined.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

C. INSURANCE OF GOVERNMENT VEHICLES

Your previous Committee had emphasised that the Government should clearly state how many vehicles in the ministries had been insured so far.

Executive's Response

Your Committee was informed that currently, line ministries and departments insured their own motor vehicles. However, not all vehicles were insured due to financial constraints faced by individual Government departments.

Committee's Observations and Recommendations

Your Committee notes the response and requests a progress report on the matter.

D. TRANSFORMATION OF THE GOVERNMENT TRANSPORT CONTROL UNIT INTO A DEPARTMENT

Your previous Committee had requested an update on the matter.

Executive's Response

It was reported in the Action-Taken Report that proposals were made to the Management Development Division (MDD) during the Ministries Strategic Planning Workshop to upgrade the Government Transport Control Unit into a department as recommended by Parliament. However, this was not implemented. The Government Transport Control was left operating as a Unit under Human Resource Administration as was the case before.

Committee's Observations and Recommendations

Your Committee notes the response and urges the Government to expedite the transformation process.

E. REVISION OF PENALTIES FOR MISUSING GOVERNMENT VEHICLES

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that the Permanent Secretary had written to the Secretary to the Treasury requesting for an upward adjustment of penalties for misusing Government vehicles and was currently waiting for feedback. However, your Committee heard that the penalties had not yet been authorised by Parliament and as such were illegal. There was no Act of Parliament authorising Government Transport Control Unit to impose penalties on erring drivers.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

F. FILLING STATIONS

Your previous Committee had requested an update on the progress made by the Government in reverting to having its own filling stations in all provinces and districts.

Executive's Response

Your Committee was informed that the Government Transport Control Unit had not yet been upgraded into a department. However, your Committee was informed that the Ministry was awaiting the signing and release of the Transport Policy by Cabinet Office.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the release of the transport policy which will enable the Government to revert to having its own filling stations.

PART IV

FOREIGN TOUR TO MALAWI

Your previous Committee had noted the response and requested an update on the matter.

Executive's Response

Your Committee was informed that the tour was not undertaken.

Committee's Observations and Recommendations

Your Committee notes the response and requests the Government to state when exactly the study tour on the Malawian Government Fleet Management System will be undertaken by the Government Transport Control Unit.

CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE COMMITTEE'S REPORT FOR THE FIFTH SESSION OF THE TENTH NATIONAL ASSEMBLY

A. OPERATIONS OF THE ROAD TRANSPORT AND SAFETY AGENCY (RTSA)

Your previous Committee had urged the Government to expedite the process. Further, it requested a progress report on the matter.

Executive's Response

Your Committee was informed that the *Road Traffic Act No. 11 of 2002* had been revised and the draft Amendment Bill awaiting presentation.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the matter.

B. DRIVING SCHOOLS TRAINING GROUNDS

Your previous Committee had urged the Government to assist the Road Transport and Safety Agency (RTSA) with the acquisition of land in other districts. Further, it requested a progress report on the matter.

Executive's Response

It was reported in the Action-Taken Report that RTSA had acquired land in all provinces to be used as driving school grounds and was in the process of making them usable.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the matter.

C. UNIFORM SYLLABUS FOR DRIVING SCHOOLS

Your previous Committee had requested an update on the matter.

Executive's Response

It was reported in the Action-Taken Report that the Road Transport and Safety Agency, as a way of speeding up the process for institutionalisation of the uniform syllabus for driving schools, had established a working committee to review the current driving schools training manuals

and syllabi. The technical committee was composed of representatives of driving schools and government institutions that were relevant to the training of drivers. It was anticipated that the technical committee would conclude its work within the third quarter of the year 2014.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the institutionalisation of the uniform syllabus for driving schools.

LOCAL TOUR REPORT OF LUSAKA AND SOUTHERN PROVINCES

A. SERVICE CHARTER

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that the procurement of e-ZAMTIS was on hold and hence the Service Charter could not be undertaken. Further, RTSA had since signed a contract for the design, implementation and maintenance of the e-ZAMTIS. Once the project had been completed, the Service Charter would be effected.

Committee's Observations and Recommendations

Your Committee notes the response and requests the Government to expedite the procurement of the e-ZAMTIS so that the service charter can be effected.

CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE FOR 2010 (TOUR REPORT)

A. KAFUE-MAZABUKA ROAD

Your previous Committee had requested an update on the matter.

Executive's Response

It was reported in the Action-Taken Report that the design review and preparation of detailed engineering designs of the T2 Turn Pike to Mazabuka Road (72 km) in Southern Province commenced on 6th May, 2013 and was expected to be completed by 31st September, 2014. It was anticipated that the rehabilitation works would commence in the Second Quarter of 2015 after the conclusion of the detailed engineering designs and the tender process for the engagement of a contractor.

The Road Development Agency engaged Messers WCE Zambia Limited to carry out this design review and preparation of detailed engineering designs at a contract sum of K4, 354,988.00. In the meantime, the Road Development Agency was currently patching all open potholes on the T2 Turn Pike to Mazabuka Road.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the matter.

B. MULAMBA-HARBOUR (Mongu)

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that the status remains the same and the Government through the Ministry of Transport, Works, Supply and Communications was still pursuing the matter with the Barotse Royal Establishment (BRE).

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the matter.

C. ROADS CONNECTING PROVINCES – CHINGOLA-SOLWEZI ROAD

Your previous Committee had requested a further update on the matter.

Executive's Response

It was reported in the Action-Taken Report that the project was ongoing and the overall physical progress on the road was seventeen (17) per cent. Owing to the slow progress by Messer's Roads and Paving, the contractor awarded to carry out maintenance works on the road, the Road Development Agency nominated China Geo Engineering Corporation as a subcontractor to carry out works valued at K90,318,461.53 on 80.6 km out of the 169 km in order to improve progress of works. China Geo Engineering Corporation mobilised on site and commenced works.

However, the scope of works had been revised to full rehabilitation and it would increase the amount of work to be done. Owing to the change of scope, the rehabilitation of the Solwezi to Chingola Road would now be divided into three contracts.

Your Committee was also informed that the first 75 km (km 100 to Solwezi) section would be rehabilitated by China Geo Engineering Corporation, the second 40 km (km 60 to km 100) section would be rehabilitated by Roads and Paving while the third 60 km (Chingola to km 60) section would be rehabilitated by a contractor yet to be engaged. It was expected that the contractor would be engaged within the fourth quarter of 2014. The revised estimated cost of the rehabilitation works would be determined once the revised quantities were priced and agreed upon.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the matter.

CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE FOR 2009

A. MANSA-LUWINGU-KASAMA ROAD

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that the reconstruction and re-alignment of the Kasama to Luwingu Road (M003) portion of the Mansa to Luwingu to Kasama Road in Northern Province had been substantially completed. The works were done by Sable Transport Limited at a contract sum of K244,664,155.47. The design and construction of the Mansa to Luwingu (M3) Road (175 km) portion in the Luapula and Northern Provinces and 30 km of Township Roads in Mansa and Luwingu commenced on 22nd October, 2013 and was scheduled to be completed by 21st February, 2017. The contract was awarded to China Henan International Corporation Group Co. Limited at a contract sum of US\$206,962,966.38. The works were being supervised by Bari Zambia Limited. Further, the contractor had achieved an overall progress (including design works) of twenty-three (23) per cent. The contractor had surfaced 25 km on the main road and 11.3 km of the township roads which included 8.5 km of the Mansa Airport Road, 1.3 km of the

Zambia National Service (ZNS) Road, and 1.5 km of the Provincial Headquarters Office Campus road.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the construction of the Mansa to Luwingu (M3) Road scheduled to be completed by 21st February, 2017.

B. NATIONAL AIRLINE

Your previous Committee had requested an update on the matter.

Executive's Response

Your Committee was informed that the registration of the Airline awaits Treasury approval in order for the Airline to engage interested private partners to operationalise the Airline.

Committee's Observations and Recommendations

Your Committee notes the response and requests a further update on the operationalisation of the National Airline.

C. CHIPATA-MFUWE ROAD

Your previous Committee had requested a further update on the matter.

Executive's Response

It was reported in the Action-Taken Report that the upgrading of 104 km of Road D104/D791 Chipata to Mfuwe was awarded to Sable Transport Limited at a sum of K422,245,953.96. Works commenced on 29th December, 2009 and were scheduled for completion by end of December, 2013. An extension of time (EOT) was granted to the Contractor to cater for the inclusion of additional works on the rehabilitation of the road section from Mfuwe International Airport to South Luangwa National Park Gate.

Further, the overall physical progress to date was ninety-seven (97) per cent on the 104 km stretch. The remaining three (3) per cent accounted for the section of the road that was overtopped by water during the 2013-2014 rainy season and required to be re-done by raising of the embankment. Additional work had been added to the Contract scope to include rehabilitation of the 25 km stretch from Mfuwe International Airport to the South Luangwa National Park gate. Physical progresses on the extra works were at fifteen (15) per cent. Your Committee was informed that the revised completion date was 31st July, 2014 and the revised contract sum was K422,245,953.96.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the rehabilitation of the 25 km stretch from Mfuwe International Airport to the South Luangwa National Park gate.

D. CONSTRUCTION OF A WEIGHBRIDGE ALONG GREAT EAST ROAD

Your previous Committee had requested a further update on the matter.

Executive's Response

Your Committee was informed that the 'no objection' for the construction of a weighbridge along Great East Road was granted by the World Bank. The procurement process was underway and a due diligence exercise was in the process of being conducted on the lowest evaluated bidder to ascertain whether he was experienced enough to undertake the works. It was envisaged that works would commence in the last quarter of 2014.

Committee's Observations and Recommendations

Your Committee notes the response and requests an update on the matter.

PART IV

CONCLUSION

14.0 Your Committee expresses its gratitude to you Mr Speaker and the Clerk for the guidance and services rendered to it throughout its deliberations. Gratitude also goes to the stakeholders for their oral and written submissions.

V M Mooya, MP
CHAIRPERSON

May, 2015
LUSAKA

APPENDIX 1

List of Officials

Mr S C Kawimbe, Principal Clerk of Committees
Ms M K Sampa, Deputy Principal Clerk of Committees
Mr F Nabulyato, Committee Clerk (Social Committees)
Mrs M E Z Banda, Assistant Committee Clerk
Mrs R T Mwila, Acting Stenographer
Mr R Mumba, Committee Assistant
Mr M Chikome, Parliamentary Messenger