

MINISTERIAL STATEMENT

ON THE

INVOLVEMENT OF HON. MEMBERS OF PARLIAMENT IN THE PROCUREMENT PROCESS OF THE EARTH MOVING EQUIPMENT BY SOME COUNCILS BY THE HON. MINISTER OF LOCAL GOVERNMENT, MR MWALE

Mr Speaker, in line with your directive that I render a brief statement clarifying the involvement of some Members of Parliament in the procurement process of the earth moving equipment, I would like to state that the background of this matter is well known to this House as this information has been presented here before. However, allow me to give a brief account of what transpired as per your directive.

Mr Speaker, in the year 2012, a business representative of the United Kingdom (UK) based company called Techmiya Commercials Limited approached the then Member of Parliament for Chinsali Central Constituency selling the idea to supply second hand earth moving equipment which could be bought using Constituency Development Fund (CDF). The former Member of Parliament bought into the idea and shared it with other Members of Parliament in Muchinga.

Sir, consequently, two constituencies, namely Chinsali Central and Shiwang'andu, through Chinsali District Council, procured the equipment which was later delivered. This development excited Members of Parliament from other provinces, Southern Province included. As a result, a number of Members of Parliament, through their respective local authorities, decided to procure this second hand equipment on the condition which the supplier had set out. One such condition was that all interested constituencies should transfer at least 25 per cent of the required total cost as deposit before shipment of the equipment. The balance of 75 per cent was due to be paid upon delivery of the equipment.

Mr Speaker, Munali and Kanyama Constituencies, through Lusaka City Council joined the two constituencies in Chinsali District then by starting the procurement process with Techmiya Commercials Limited which was done successfully and equipment was delivered.

Mr Speaker, in the case of Chama Town Council in Eastern Province, both Chama North and Chama South Constituencies had expressed interest to procure the equipment. Therefore, Chama District Council on behalf of the two constituencies processed part payment amounting to K400,000 each in favour of Techmiya Commercials Limited.

Mr Speaker, at this stage, some Members of Parliament from Southern Province also developed interest in procuring the earth moving equipment from Techmiya Commercials Limited and subsequently, introduced or linked Techmiya Commercials Limited to their respective local authorities. In 2013, these local authorities made payment to Techmiya Commercials Limited amounting to K1,753,826.04 from Choma, Pemba and Mbabala constituencies. Further, from Kalomo District Council, which at that time covered Kalomo Central, Mapatizya and Dundumwezi Constituencies, a total of K2,424,052 was transferred.

Mr Speaker, after receiving the 25 per cent down payment, Techmiya Commercials Limited delivered all equipment for constituencies in Southern Province up to Walvis Bay in Namibia. However, Techmiya Commercials Limited could not release the equipment because they were demanding for the final payment which the local authorities did not pay, resulting in demurrage fees accumulating over a period of almost two years. At this stage, the supplier decided to auction the equipment at Walvis Bay. The matter was reported to Zambia Police which has since instituted investigations.

Mr Speaker, with the foregoing, I wish to state that I did not mislead the House in my debate because the matter I touched on is very well known to all Member of Parliament. I was merely explaining that some councils in Southern Province, in this matter, dealt directly with the supplier with full knowledge of Members of Parliament. This fact cannot be denied and therefore, it cannot be said that I mislead the House. The supplier was introduced to Members of Parliament both on your right and left. The Members of Parliament in turn, introduced or linked the supplier to their respective local authorities. The issue of concern is that while in other constituencies, the equipment was delivered and paid for, this is not the case in some of the constituencies in Southern Province.

I thank you, Mr Speaker.