

MINISTERIAL STATEMENT

**BY THE HON. MINISTER OF LOCAL GOVERNMENT, MR MWALE,
ON THE PROCUREMENT OF FIRE TRUCKS**

Mr Speaker, I thank you for according me this opportunity to shed light on the concerns raised by some members of the public following an event on 13th September, 2017, at which Her Honour the Vice-President of the Republic of Zambia, Mrs Inonge Wina officiated to hand over forty-two fire trucks the Government procured through my ministry, to local authorities.

Mr Speaker, I have been prompted to make this statement following concerns from some members of the public that the price of US\$1 million per truck is too exorbitant. It should be noted that this debate is not new. When this procurement was concluded, towards the end of 2015, a similar debate ensued and was steered by Opposition Forum for Democracy and Development (FDD) President, Mrs Edith Nawakwi, who claimed that the Patriotic Front (PF) had pocketed US\$30 million out of the US\$42 million contract for the supply of forty-two fire trucks. My predecessor in the ministry, then rose to challenge Mrs Nawakwi and clarified the matter and put the record straight. As it could be clearly seen, Madam Nawakwi's statement was not substantiated by any facts, and the matter was rested.

Mr Speaker, before I proceed to discuss the issue of pricing of the fire trucks tender, allow me to give a brief historical background to this matter. On 4th May, 2012, the late President, Michael Chilufya Sata, officiated at the commemoration of the International Fire Fighters Day in Lusaka and bemoaned among others, the lack of investment in the fire and rescue services. At this same function, President Michael Sata directed my ministry to decentralise the provision of fire and rescue services to protect the valuable lives of our people and infrastructure in various parts of our country. After this presidential directive, a United Kingdom (UK) based company known as Albion Export Services Limited submitted an unsolicited bid to supply sixty-three fire trucks at a cost of US\$54.8 million which they later revised to US\$66 million in 2015. Further, Albion Export Services Limited requested that their company be single sourced to supply the fire trucks with an upfront payment of 100 per cent, but to deliver the fire trucks over two years. The

ministry then wrote to the Zambia Public Procurement Authority (ZPPA) requesting authority to direct-bid Albion Export Services Limited. On 22nd July, 2015, ZPPA responded to our letter and rejected the request to direct-bid Albion Export Services Limited, but advised the ministry to use a competitive method to procure the fire trucks. Consequently, in September, 2015, my ministry proceeded to advertise the tender for the supply of the forty-two fire trucks. At the close of the tender in October, 2015, sixteen bidders had responded. After evaluation of the sixteen bidders, Grandview International was the best evaluated bidder with a bid sum of US\$42 million after meeting the required criteria as stated in the solicitation document. The list outlining the sixteen bidders with their respective amount has been attached to this statement for consideration.

Mr Speaker, soon after Grandview International was notified of the award, four companies, namely; Albion Export Services Limited, whose bid price was US\$49.5 million, Savenda Management Services, DL NAFFCO Zambia Limited and Albert Ziegler appealed to ZPPA against the decision to award Grandview International the tender. The ZPPA heard the appeals within two weeks and rendered its decision. Thereafter, it dismissed the appeals for lack of merit. The ZPPA also informed the ministry to proceed with its award to Grandview International. Some companies also made an appeal to the Anti-Corruption Commission (ACC) against the decision to award the contract to Grandview International. The ACC also dismissed the appeal and gave the ministry clearance to proceed with the procurement process.

Mr Speaker, the cost of these fire trucks has now become a subject of debate by some quarters in our society. Comparison of various fire fighting trucks of different specifications and costs have been made. I have noted with interest that all those observing that our fire trucks are overpriced are only quoting the lower-priced bids, thereby creating an impression that Grandview International quoted the highest price. Yet, while responding to the same specifications, Albion Export Services Limited from the UK quoted US\$49.5 million, which was US\$7.5 million higher than the quote for Grandview International.

Mr Speaker, the fire trucks we have procured are no standard trucks. They are custom-made specifically to respond to the challenges that our fire men and women have been facing over the years in terms of the terrain and operational areas. In fact, the specifications were developed by

the users who are the fire fighters. The fire trucks were manufactured in Spain, based on these specifications.

Mr Speaker, the fire fighters informed the procurement team that some of the challenges often encountered in fire fighting were the narrow roads that were difficult to access particularly in unplanned settlements. To respond to this challenge, the new fire trucks were equipped with monitors which allow fire operators to fight fire from a distance of up to 70 metres irrespective of obstructions along the way. They not only offer added maneuverability in places which are difficult to navigate, but also have increased storage capacity for water and special foam. The fire trucks have storage capacity of 7,000 litres for water and 1,000 litres for foam. On the contrary, the older fire trucks being utilised had no provision for foam and only had a capacity for 5,000 litres for water. In addition, the fire trucks have improved extraction equipment for the rescue services. I understand they are able to extract water into their tank within two minutes and fill up the tank.

Sir, in addition to better capacity, the new fire trucks have stainless steel tanks as opposed to the polythene tanks that the old ones have. The durability of the trucks is further enhanced by the reinforced chassis and high ground clearance from the raised chassis. These are just highlights of the broad technical and non-technical specifications that informed the procurement process. I have attached the exhaustive list of specifications for considerations.

Mr Speaker, based on these detailed specifications, procurement experts and firefighters involved in procurement process believe that the bidder was the best suited to give us value for money as compared to other that were not selected. This was arrived at after an elaborate scrutiny of all bids.

The fire-fighting and rescue equipment are an integral part of economic that would safeguard the economic gains made so far in all sectors of our economy. Fire outbreaks have become a common phenomenon in almost all districts in the country for varied reasons. However, the response to such fire outbreaks has in the past been hampered by lack of power in adequate fire-fighting equipment. This is why Government, through my ministry, has acquired this state of the

art fire-fighting and rescue equipment for all major districts across the country, especially those with higher population density and increased economic activity.

Mr Speaker, I thank you.