

MINISTERIAL STATEMENT

INFLATED PRICE OF INTENDED PROCUREMENT OF WATER METERS

Madam Speaker, I thank you for giving me this opportunity to address this august House and the nation at large on the point of order raised by the hon. Member of Parliament for Luena Constituency, Mr Mubita Anakoka, on Friday, 18th February, 2022, regarding information circulating on social media on the inflated price of the intended procurement of 1,084 prepaid domestic water meters for commercial water utility companies.

Madam Speaker, the background to this procurement of water meters is that utility companies have been facing operational challenges resulting in the failure to adequately account and bill customers for water consumed. This is due to a lack of water meters as nearly all new connections are not metered while old meters have outlived their usefulness and become dysfunctional. In addition, water utility companies face the challenge of high non-revenue water, which is the unaccounted for water, most of which is lost to leakages through the old and dilapidated water distribution networks.

Therefore, the Government of the Republic of Zambia, under the leadership of President Hakainde Hichilema, through my Ministry of Water Development and Sanitation has set aside funds amounting to K24 million in the 2022 National Budget for the procurement of prepaid and post-paid water meters. These meters are meant to be installed by commercial water utility companies to account for water produced and supplied to customers as one way of addressing high non-revenue water and reduce loss of revenue.

Madam Speaker, to this effect, commercial utility companies provided information such as types of water meters, sizes and estimated unit costs required to facilitate the procurement of the meters. Having received the information relating to the specifications of the meters, in November 2021, my ministry invited sealed bids from eligible bidders through the open National Competitive Bidding (NCB) in line with Section 37 of the Public Procurement Act No. 8 of 2020. As such, my ministry floated Tender No. MWDS/GRZ/DWSS/G/012021 broken down in

Lots I and II for the supply and delivery of 24,434 post-paid meters and 1,084 prepaid domestic meters for utility companies, respectively.

Madam Speaker, on 10th December, 2021, the tender for the supply and delivery of 1,084 prepaid domestic water meters closed and a total of twenty-six bids were received. Thereafter, my ministry constituted an evaluation committee to evaluate the bids that were received. The Evaluation Committee considered the bids and recommended the best evaluated bidder at a total cost of US\$271,526, which is kwacha equivalent of K4,824,881.26.

Madam Speaker, the Ministerial Procurement Committee, at its sitting held on 14th February, 2022, approved the recommendation to award the contract to the best evaluated bidder at a total cost of US\$271,526, which is K4,824,881.26 Kwacha equivalent. In accordance with Section 71(1) of the Public Procurement Act No. 8 of 2020, which provides for the notification of the best evaluated bidder, my ministry published the notice of award in the *Zambia Daily Mail* newspaper, Volume 26, No. 041 of 17th February, 2022.

Madam Speaker, I wish to state that in the advertisement for the notification of the award published in the *Zambia Daily Mail* Newspaper of 17th February, 2022, an amount of US\$271,824,881.26 was erroneously quoted instead of the amount of US\$271,526, which is the correct price. After realising that the advertisement for the notification of the award was erroneous, my ministry brought that to the attention of the management of the *Zambia Daily Mail* which resulted in the cancellation of the said advertisement. Further, the corrected advertisement was published in the *Zambia Daily Mail*, Volume 26, No. 042 of Friday, 18th February, 2022, bearing the correct contract amount of US\$271,526.

Madam Speaker, preliminary investigations have since revealed that an officer wrongly sent the advertisement with wrong figures bearing the said amount of US\$271,824, 881.26 instead of US\$271,526.

Madam Speaker, I wish to take this opportunity to assure this House that my ministry has since commenced the process of laying the appropriate charges against the officers involved in

negligently carrying out this assignment. In the same vein, my ministry has strengthened the existing procedures to ensure that exchange of information and correspondence between my ministry and its stakeholders pass through the necessary controls and quality assurance. Furthermore, my ministry will tighten the existing rules to ensure responsible officers carry out their supervisory roles effectively and efficiently. This is in order to avert the situation which manifested itself regarding the matter at hand.

Madam Speaker, I wish to further urge hon. Members of this august House, as well as members of the public, to contact my ministry for any further clarification on this matter and, indeed, on any issues regarding the ongoing and further projects at my ministry.

Madam Speaker, as I conclude, let me assure the nation that my ministry will ensure that this unfortunate event does not recur at all and, indeed, similar ones do not occur. My ministry remains committed to ensuring that members of staff abide by the principles and core values of the New Dawn Administration under the leadership of the President of the Republic of Zambia, His Excellency Mr Hakainde Hichilema.

Madam Speaker, in line with the tenets of the Public Service, which include excellence in the execution of duties, my ministry will also ensure that members of staff adhere to the set guidelines on procurement, which include high quality, correct price and timely delivery.

I thank you, Madam Speaker.