

## **Mary C Nkosi: Mzuzu branch project site handover and pre-contract meeting**

Speech by Mrs Mary C Nkosi, Deputy Governor of the Reserve Bank of Malawi, at the Mzuzu branch project site handover and pre-contract meeting, Mzuzu, 2 August 2010.

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- The Team Leader of the Consortium (represented by Mr. Davie Chidyaonga) and other members of the Consortium
- Director of Administration, and members from RBM
- The Project Coordinator, Mr Morrison Sulumba
- The Management of SR Nicholas Limited led by Mr G Bizzarro
- All present

I am greatly honoured to be here this morning to deliver the expectations of the Governor, myself and the entire Bank. My presence here is proof of the importance the Bank places on this project which goes beyond the building. The Bank's presence in Mzuzu will complement development in the City of Mzuzu and the Northern Region as a whole.

Let me start by first of all congratulating the Contractor, SR Nicholas Limited, for successfully going through the evaluation process and being awarded this prestigious contract. The competition was tough and therefore this is no mean achievement.

At this juncture, let me place on record my gratitude the Chairperson and the entire Internal Procurement Committee of the Bank for a job well done during the tendering process. We know that the award criteria for this contract went beyond the usual price consideration. It mainly considered the capacity to deliver a quality product within the specified period of 24 months. Therefore, issues of experience in projects of a similar nature and magnitude, current commitments and track record of good performance played a bigger role.

It is with this in mind that I want to appeal to the successful contractor, SR Nicholas Limited, and all other sub contractors involved in the construction of Phase II that the Bank expects nothing less than a quality building that will be an icon and a centre of public attraction in the City of Mzuzu and will stand the test of time. In this regard, you will be expected to adhere fully to all building standards and specifications. This entails applying world class working methods and use of certified materials throughout the project life.

To the Team Leader and indeed the NDCC Consortium, I would like to say the journey continues. You did a good job in Phase I. However, the small problems that surfaced here and there should be considered lessons for Phase II. The Consortium is expected to provide optimum supervision throughout the project life and ensure that all individual consultants in the team are performing as expected. The Bank will be conducting performance appraisals every six months to monitor performance and will not hesitate to sever ties with a consultant who is not performing.

I would also like to appeal to the Consortium and the Main Contractor to jointly identify all inherent risks that exist as we start Phase II and put in place effective control measures to avoid derailing the project completion date. The risks that are beyond your control should be escalated to the Bank for attention.

Issues of cost control on a project of this magnitude cannot be over emphasized. Therefore, all parties involved in this project will be expected to play their rightful roles in cost control. In this regard, the Bank will only honour genuine claims from both the contractor and the consultants. We trust that the bank will not need to call for joint measurements of works done

on site before effecting payments. On its part, the bank will look to you, Leader of Consortium for stringent surveillance of cost control at all levels.

Ladies and Gentlemen, let me assure all stakeholders of the Bank's full commitment on this project. Adequate, resources have been set aside to ensure timely payments of all claims by the contractors and fees for consultants. This is a prerequisite for timely completion. The Bank is ready to assist contractors make advance purchase of materials as long as all required procedures are followed and that the arrangement has the blessing of the Consortium.

The road has been long for us to arrive at this stage. The design process for the Mzuzu Branch started as far back as 2006. On 16th December 2007, Phase 1 contract commenced with a 42 week contract period. A lot happened and Phase 1 contract period reached 65 weeks. The building was handed over on 30th April 2009, paving way for Phase II.

It was intended that by August 2009, the contract for Phase II would have been awarded and that the contractor would be on site. We are now almost 12 months behind schedule. Within these 12 months, many people took it that the project had been shelved, halted, or even abandoned completely. It was very difficult for the Bank to convince the public that the Mzuzu Branch Project was alive even without the physical presence of the contractor.

Now that today the contract for Phase II has been awarded to SR Nicholas Limited, the wish of the Bank and the public is that the project should be completed within the contract period of 24 months. We need to restore the confidence our superiors and the public at large seem to be questioning. To the Consortium, you have been on the Project from 2006. I have every reason to believe that all details, drawings, and necessary information for the contractor to start construction are available.

To the management of SR Nicholas Limited, this is another challenge and our expectations are that 24 months from the contract commencement we shall all be here, receiving a quality product.

I have also been informed that the electrical subcontract has not been concluded yet. I would like to assure you that by the time the main contractor goes on site; the electrical subcontractor will have been procured. We are working round the clock to conclude the matter. The construction period of 24 months is ambitious but achievable as has been seen elsewhere. The Bank wishes to call upon each of you to join hands as partners in completing the project on time. We therefore request you, as usual, to come up with a buildable programme that will include all operations to ensure a successful conclusion and delivery of the Mzuzu Branch offices.

On behalf of the Governor of the Reserve Bank of Malawi, I welcome you all to this pre-contract meeting and look forward to an exciting journey ahead of us culminating in the successful completion of the project. With these few remarks I declare the site handed over to the Contractor; SR Nicholas.

I thank you for your attention and may God bless us all.