GOVERNMENT OF TONGA

MEDIA RELEASE

(30th April 2020)

“Prime Minister’s Office responds to accusations to the supply and purchase agreements for quarry contracts”

The Office of the Prime Minister herein responds to accusations regarding the supply and on purchase agreements for quarry materials. Although the Government refutes any accusations of wrong doing and is at the same time not normally at liberty to disclose confidential and privileged information, it is compelled to provide the pertinent information to demonstrate due process and responsible decision making were as followed, in order to render the best possible outcome for Government.

In 2019, the incoming Government implemented the largest road works project for Tonga roads in history. The Government had approved in Cabinet for Government Premier Priority Inclusive Sustainable Community Partnership Roads Transportation and Communications Infrastructure Project. The project aimed to improve all roads in Tonga. And was firstly introduced by the current Prime Minister in his premiership candidacy speech in Parliament on the 27th September 2019. The road project initiative was subsequently heralded by the majority of the people, as a priority need (along with clean drinking water, street lights and sanitation facilities) during the Prime Minister and Cabinet Ministers’ visit to the 17 Constituencies, between January to February 2020.

The market price of quarried rock material, ranged from $190 to $220 per 3.8m3 (or single load), and between the period October 2019 to March 2020, quarried rock material continued to be delivered at market price for Government’s projects. This proved untenable to sustain, given the Government’s limited budget.

The road works project will require a significant amount of quarried rock material. These quarries would be required to focus only on the project, and meet the significant volume within the 24 month time frame, set by the Government. Most importantly, the project is requiring a purchase price below the market price, in order to meet the Government’s limited budget.
Using the normal procurement process, the Government had invited bids from every quarry in Tonga. The 3 success factors required by Government, was quality, timeliness and cost. At the completion of this process, it was confirmed that no bidder could offer the low price, as anticipated by the Government. The procurement process was duly and lawfully cancelled.

The Government could not proceed with the road project adhering to market price of quarried rock material at $190 per single load, as it would result in costing over $233 million for the 24 month period. If Government is to proceed with this cost, not only would it be an irresponsible decision, but would amount to clear dereliction of duty to the people of Tonga. The Government’s offered price of $70 per single load, would result in a cost reduction of over $147 million for the 24 month period.

In it’s effort to find a way forward, after following thorough consultation with three companies concentrating on the required price that is affordable, the decision made, was to grant the opportunity to three (3) companies who could meet all of the key requirements – land legally authorized to operate as a quarry, lawfully owned, run by experienced operators, could focus only on the project, could meet the significant volume within the 24 month time frame, and could supply for a price well below the market.

The Government has delivered a public commitment to taking the road project as soon as possible, and delivering in a manner affordable to the public purse. The option of Government not proceeding with the road project, would only occur if there was no quarry operator that are willing to accept the Government’s strict project conditions in terms of quality, timeliness and cost.

The alleged contract between the Government and City Engineering and Constructions Limited published on social media, is a false and misleading information, not recognized by Government and does not exist.

The fraudulent use by persons of an alleged contract to imply wrong doing by the Government with the intention to mislead the public and bring disrepute to the work of the Prime Minister and the Government, is an act of malice and is viewed very seriously. Further, it is prohibited for any entity contracted by the Government to disclose information on their contract or arrangement under discussion as this would render the arrangement null and void due to a breach of confidentiality, and will also be liable for damages.
The Government is currently working with the three (3) companies to commence their work as soon as possible, ensuring full compliance with Government’s strict conditions to assure that quality, timeliness and the costs are adhered to without fail. The Government will also take measures to penalize the three (3) companies should any of the conditions not being met during the course of the road project.

In conclusion, the plans for the Government road project will be communicated as it is nationally recognized, as a priority project of public interest.

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