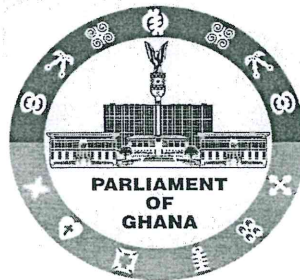


**IN THE SECOND SESSION OF THE SIXTH  
PARLIAMENT OF THE FOURTH  
REPUBLIC OF GHANA**



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**REPORT OF THE COMMITTEE ON ROADS AND  
TRANSPORT ON THE CONTRACT AGREEMENT  
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF  
GHANA AND SCANIA CV AB (publ) for the SUPPLY  
OF SCANIA COMPLETE BUILT-UP (CBU) BUS RAPID  
TRANSIT (BRT) CITY BUSES**

18<sup>th</sup> July, 2014

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**REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON THE CONTRACT AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA AND SCANIA CV AB (PUBL) OF SWEDEN FOR THE SUPPLY OF SCANIA COMPLETE BUILT-UP BUS RAPID TRANSIT (BRT) CITY BUSES**

**1.0 INTRODUCTION**

- 1.1 The Contract Agreement between the Government of the Republic of Ghana (represented by the Minister of Transport) and SCANIA CV AB (PUBL) of Sweden for the supply of 295 Complete Built-Up (CBU) Mass Rapid Transit (MRT) City Buses was laid in the House on Thursday, 17<sup>th</sup> July, 2014 and referred to the Committee on Roads and Transport for consideration and report in accordance with Article 181 (5) of the 1992 Constitution and Order 189 of the Standing Orders of Parliament.
- 1.2 The Committee met with the Hon. Minister for Transport Mrs. Dzifa Attivor, the Chief Director of the Ministry and the Technical Officer of Greater Accra Passenger Transport Executive (GAPTE) considered the Agreement. The Committee presents its Report to the House in accordance with Order 161 of the Standing Orders of the House.

**2.0 BACKGROUND**

- 2.1 The perennial problem of vehicular traffic congestion, unreliability and uncomfortable transport infrastructure undermine business efficiency and general economic development in Ghana. Given the continued increase in our population coupled with the ever increasing rural-urban migration, the urgent need to surmount these

challenges in our cities in particular cannot be overlooked. It is therefore against these backgrounds that the Government has deemed it necessary to first, introduce the BRT system on the Amasaman to the Central Business District route with comfortable and high capacity occupancy buses which will be run by transport unions including the GPRTU and PROTOA. Second, avail the INTERCITY STC COACHES Ltd of similar high capacity buses to revamp inter-city travel.

2.2 The total cost for the procurement which includes the supply of ancillary parts and services is **One Hundred and Ten Million Seven Hundred and Thirty-Three Thousand, Four Hundred and Sixteen United States Dollars (USD 110,733,461.00)**.

2.3 As per the Contract Agreement, the proposed Contractor/Supplier of the buses and spare parts is SCANIA CV Aktiebolag of Sweden reputed worldwide for the manufacture of quality and durable automobiles. The buses which will be supplied to Ghana will be built in SCANIA's plant in Brazil and will be equipped with special electronic on-board ticket validation system, turnstiles at the front door to help reduce revenue leakage and disability friendly doors for entry and exit on the front and rear doors.

### **3.0 JUSTIFICATION FOR THE CONTRACT AGREEMENT**

3.1 The Committee notes that primarily, the Contract Agreement is to facilitate the supply of 295 buses by SCANIA CV Aktiebolag of Sweden for the BRT and Intercity STC Coaches Ltd to ease the ever growing traffic congestion in our cities.

3.2 Clause 3.2.7 on the training of local staff were found to be satisfactory as four technicians would provide trainers for the basic operations and maintenance of the buses as well as driver trainers and electronic ticketing. In addition, a workshop will be set up in Ghana to enhance proper maintenance and durability and ultimately, value for money.

#### **4.0 PROJECT STRUCTURE**

The Bus Rapid Transit project is structured as a Public Private Partnership which will involve the following public and private organizations:

- Government of Ghana (GOG) represented by the Ministry of Transport (MOT) and Ministry of Finance (MOF)
- Metropolitan and Municipal Assemblies represented by the Greater Accra Passenger Transport Executive (GAPTE)
- Mass Transit Operators (GPRTU, PROTOA, COOPERATIVES etc.)
- A Leasing Company

#### **6.0 OBSERVATION AND RECOMMENDATION**

6.1 The Committee is agreeable to the structure and terms of the Contract Agreement. However the Committee recommends that subsequent Agreements should clearly state the background of technicians to be sent down to train local operators. This is informed by the fact that in the Automobile industry, technicians from the User's workshop are more conversant with practical problems associated with vehicles and are adept at proffering practical training than those from the Manufacturers' workshop.

- 6.2 The useful economic life of the SCANIA buses was noted to be 10 years which the Committee finds acceptable. However, given the local climatic conditions and apathy in maintenance, the Committee will urge the Ministry to strongly ensure that the Leasing companies and operators comply with the maintenance schedule to ensure that the buses operate to the expected duration and beyond.
- 6.3 In order to facilitate post purchase monitoring at determining the viability of the BRT and also operations of other beneficiaries of the buses, the list of the Leasing companies should be made available to the select Committee on Roads and Transport for subsequent monitoring and evaluation.
- 6.4 The Committee observed the recurrent challenges faced by most state sponsored transport companies which make them lose patronage in operation. The Committee hopes that great effort would be made by the Ministry of Transport to ensure that the BRT lives to expectation.

## **7.0 CONCLUSION**

The Committee having carefully examined the Contract Agreement, is of the view that the outcomes would attain the over-all national objective of creating a visibility for Government commitment and resolve to solve the acute transportation difficulties within the metropolis of Accra through public mass transportation.

The Committee therefore respectfully recommends to the House to adopt its report and approve the Contract Agreement between the Government of the Republic of Ghana (represented by the Minister of Transport) and SCANIA CV AB (PUBL) of Sweden to supply buses for the BRT and the Intercity STC Coaches Ltd.

Respectfully submitted.



**MATTHEW ABREFA TAWIAH  
CLERK, COMMITTEE ON ROADS  
AND TRANSPORT**



**HON. MICHAEL COFFIE BOAMPONG  
CHAIRMAN, COMMITTEE ON ROADS  
AND TRANSPORT**

**18<sup>th</sup> July, 2014**

