	Form Title : Negotiation Meeting Minutes	Pages:4
	Prepared by : Procurement Officer	Revision : 3 Issue Date : July2017

NEGOTIATION MEETING FOR ENGAGEMENT OF CONSULTANT FOR THE DESIGN, TENDERING, SUPERVISION AND MANAGEMENT OF CONSTRUCTION OF THREE BY 20MILLION LITRES FUEL STORAGE TANKS AT FERUKA DEPOT


DATE: 08/04/2026

NAME	ORGANISATION	STAKE / INTEREST
C TIGERE(CHAIRPERSON)	NOIC	CLIENT
C MHIZHA	NOIC	CLIENT
P KAMBARAMI	NOIC	CLIENT
B NJAGU	NOIC	CLIENT
B GURAUKAMA	NOIC	CLIENT
A ZUVARINOPISA	NOIC	CLIENT
T MPALA	HYDRO-UTILITIES	POTENTIAL SERVICE PROVIDER
M MAPHOSA	HYDRO-UTILITIES	POTENTIAL SERVICE PROVIDER

NEGOTIATION MEETING MINUTES

1. Opening Remarks

- 1.1 The Chairperson called the meeting to order at 08.15hrs and welcomed all attendees.
- 1.2 The purpose of the meeting was outlined to be a negotiation meeting between NOIC representatives and the bidder to seek a price reduction of the total project cost.
- 1.3 The Chairperson handed over to the Procurement Manager to give a brief background on the purpose of the negotiation meeting.
- 1.4 The Procurement Manager gave a background on the evaluation process stating that the evaluation was done in 3 phases where an initial evaluation was done based on the submissions of Hydro-Utilities. The Procurement Manager also notified the committee that the negotiation meeting was the second phase and the third stage being a due diligence exercise which is to be carried out after the negotiation meeting.
- 1.5 The Procurement Manager advised the committee that a negotiation meeting for this project was crucial since the supplier was engaged through a single sourcing method which was due to other consultants failing to meet the technical requirements of the Expression of Interest.
- 1.6 The Procurement Manager then handed over the flow to the Engineering Team as the user department to guide the committee on the focus areas that needed to be discussed.
- 1.7 The Engineering Team commended the Consultant for submitting a comprehensive proposal but raised queries regarding two (2) line items. The Consultant had priced the bullet tank demolition consultancy work at US\$50,055.60 and the geotechnical studies at US\$67,000.00 per tank, resulting in a total of US\$201,000.00.
- 1.8 The Engineering team requested clarity from the consultant on how they came up with the figures above citing that prices can be discounted.
- 1.9 The Consultant indicated that the quoted price for the bullet tank demolition consultancy reflects the complexity of the methodology to be employed, as well as the significant man-hours required. The Consultant further noted that the scope of work

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includes the development of a demolition plan comprising three (3) stages: assessment, design, and supervision.

- 1.10 The Consultant advised that quotations had been obtained from geotechnical survey specialists, and Geomac Laboratories was selected based on prior collaboration and was the most competitive offer that they had received. The initial quotation received was a discounted US\$67,000.00 during the tendering stage.

The Consultant further indicated that, due to the complexity of the project, a total of nine (9) holes per tank – each to a depth of 53 metres – are required as part of the geotechnical investigation.

- 1.11 The Consultant noted that, during the tender period, fuel prices were approximately US\$1.50 per litre but have since increased to US\$2.11 per litre due to geopolitical developments. This escalation has had a ripple effect on project input costs and, consequently, makes it difficult to secure further discounts on the contract price, given the original pricing basis upon which the contract was established.

- 1.12 The Consultant further advised that the estimated project cost is US\$34,288,527.00 excluding VAT for the construction of three (3) 20-million-litre petroleum tanks. They noted that consultancy fees for projects of this nature are guided by Engineering Council of Zimbabwe (ECZ) and Engineering Council of South Africa (ECSA), given the involvement of a South African partner.

- 1.13 The ECZ and ECSA recommend consultancy fees of approximately 10% and 12% of the total project value, respectively. However, the Consultant's offer to NOIC represents approximately 6% of the estimated project value, which they indicated is already significantly discounted. The Consultant emphasized that the proposed fee is the minimum required to successfully deliver the project while maintaining operational sustainability.

- 1.14 The NOIC Team maintained its position on securing a discount, identifying specific line items where cost reductions could be considered. The Team, however, acknowledged the Consultant's justification for maintaining the proposed price, noting that the points raised had been duly considered.

- 1.15 The Consultant requested time to consult with their South African partners regarding the possibility of a price reduction. The Committee agreed that the Consultant would submit a revised offer by close of business on 9 April 2026.

A.O.B

1.The Procurement Manager notified the consultant of an upcoming due diligence visit and the need to start preparations for the visit.

2.The consultant was tasked with selecting 2 sites from the referenced list which have a capacity of at least 10 000m³ tanks.

Signed as a true record of proceedings



C Tigere (Chairperson)

1.1. SUMMARY OF COSTS

<i>Item</i>	<i>Description</i>	<i>Unit</i>	Costs
			[USD]
1	Professional Fees		1,953,904.31
	A. Conceptual design	78%	
	B. Detailed design		
	C. Working drawings and tender documents		
	D. Supervision and project management		
	E. Variations during construction		
	Total Percentage of Professional fees		
2	Disbursement/Reimbursable Costs	8%	197,930.00
3	Any other Costs - VAT (15.5%)	14%	333,534.32
	Total Cost of Financial Proposal ¹	100%	2,485,368.63

¹ The total cost must coincide with the sum in the Financial Proposal Submission Sheet.

1. Breakdown of Contract Price (Fees)



CURRENCY OF COSTS: USD (UNITED STATES DOLLARS)

PROFESSIONAL FEES					
Item	Description	No.	Unit	Amount	
1	Tank	3		253,919.99	761,759.97
2	Bund Sealing	3		199,608.90	598,826.70
3	Tank Foundation	3		33,806.24	101,418.72
4	Tank Demolition	1		41,635.60	41,635.60
5	Pipework	1		60,774.54	60,774.54
6	E&I Works	1		60,000.00	60,000.00
7	Geotechnical Studies	3		67,000.00	201,000.00
8	Topographical Surveys	1		40,000.00	40,000.00
9	Miscellaneous and Contingencies	lot		88,488.78	88,488.78
	Sub-total professional fees				1,953,904.31
	Add VAT	15.5%			302,855.17
	Grand Total (Including VAT)				USD 2,256,759.48

DISBURSEMENTS					
Item	(Inclusive of mileage, accommodation, flights and perdiems)	No.	Unit	Amount	
1	Head Office - preliminary and Detailed Designs	sum		9,840.00	
2	Tender Adjudication	sum		1,790.00	
3	Construction contract administration	sum		76,300.00	
4	Resident Site Staff	sum		78,000.00	
5	Resident Site Accommodation	sum		32,000.00	
	Sub-Total Disbursements				197,930.00
	Add VAT		15.50%	30,679.15	
	Grand Total (Including VAT)				USD 228,609.15

Project Grand Total (Professional Fees + Disbursements) =				2,485,368.63
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Breakdown of Contract Price Authorised By:

Signed		Name: Tamsanqa Mpala...
In capacity of:	...Project Manager.....	Date: ...09/04/2026.....
Duly authorised for and on behalf of:		
Firm	...Hydro-Utilities (Pvt) Ltd	
Address:	...140 Nelson Mandela Avenue, PO. Box 5947, Harare, Zimbabwe Suite 2, Princess Court, G. Silundika/L. Takawira, Bulawayo, Zimbabwe Tel: + 263 (0)242 – 795252/+263777306449...	
Corporate Seal (where appropriate)		

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Duly authorised for and on behalf of:		
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