



SERVICE GHANA AUTO GROUP LIMITED

AUTO GROUP LIMITED

FALSE ALLEGATIONS ABOUT AFTER-SALES SERVICE AND MAINTENANCE CONTRACT FOR 307 AMBULANCES

SERVICE GHANA AUTO GROUP LIMITED (SGAGL) takes a serious view of utterly false claims and outright lies about its contract with Government for after-sales service and maintenance for 307 ambulances.

Notice is hereby served on those peddling the false allegations including by the media without attempts to verify same, that they, particularly the unprofessional and uncritical media, shall be held liable for reckless damage to genuine business and reputations.

The companies in the transaction have at all material times, including during the *competitive* procurement processes, conducted themselves with integrity and complying with due process of law.

While SGAGL looks forward to share all documentary evidence before constituted investigative authority of the State, SGAGL shares the following easily verifiable facts about the transaction:

THE COMPETITIVE PROCURMENT PROCESS FOR THE AMBULANCES

- i. SGAGL is an SPV of a consortium of 7 companies that participated in a *competitive* procurement process, *not* sole sourced, and adjudged on merit to procure, and to provide After-Sales Service and Maintenance for 307 Mercedes Benz Sprinter Ambulances for the National Ambulance Service (NAS).
- ii. The competitive procurement process commenced by the Ministry of Special Development Initiatives via an Invitation for Tenders dated 15th November 2018 with reference number MSDI/PEP/AMB/RST/2018 for 275 units of 4x4 Ambulance Vehicles (varied to 4x2 for 307 vehicles).
- iii. A total of 16 companies participated inclusive of the 7 companies that eventually formed the Consortium during the pre-tender workshop round and they are:
 1. Luxury World Auto Group Limited
 2. Elok Consult
 3. RDC Company Limited
 4. Beft Engineering Works Limited
 5. Prestige Era Company Limited
 6. Bluemix Company Limited
 7. Quality Supply and Builders Company Limited
- iv. These companies came together, leveraging their expertise and resources, and emerged with exceptional value-for-money proposition in their compelling lowest bid of \$133,000 per ambulance, compared to offers by competitors including Silver Star Auto Limited, ranging from \$250,000 to \$300,000 as revealed by the Tender Evaluation Report.
- v. The Consortium's Turkey-based supplier, EMS Mobil Sistemler AS AG, by letter dated 22nd February, 2019, obtained manufacturer's authorization from Mercedes Benz, an essential prerequisite for participation in the process.
- vi. Manufacturer's authorization for the medical equipment to be installed in the ambulance vehicles was also duly obtained from the EMSA AMBULANCES by letter dated 23rd February, 2019, another critical

Address: P. O. Box GPO 3900 Plot No. 4, Pineapple Street, East -Legon, Accra-Ghana
Tel: +233(0)244024488 Website: www.servghautogroup.com
Email: info@serviceghautogroup.com



+233(0)504936205
+233(0)560231547



P.O.Box GPO 3900 Plot No. B42
serviceghautogroup@gmail.com



Lagos Avenue, East Legon
Accra - Ghana



tender requirement. The authorization provides a warranty guarantee for the **medical equipment and ambulances**.

- vii. In full compliance with tender specifications, a comprehensive on-site inspection of the suppliers' facilities was undertaken with technical officers of the NAS, Ghana Health Service, Ministry of Health and two other relevant sector ministries in Turkey and Amsterdam at the expense of the Consortium.
- viii. The individual companies in the Consortium had specific allocations and duly supplied the ambulances, paying all applicable duties and insurance costs in full for seamless delivery of same.

THE CONTRACTUAL PROJECTED BUDGET FOR SPARE PARTS FOR FIVE YEARS

- i. The After-Sales Service and Maintenance Agreement was entered into in December 2019. It specified extensive after-sales support, routine servicing, maintenance, repairs, and provision of requisite **mechanical and medical spare parts** for the ambulances.
- ii. The Consortium companies incorporated the SPV (i.e. **Service Ghana Auto Group Limited**) on 24th April, 2020 with primary objects for sale of automotive and vehicle parts to fulfill the contract's stipulations. Herein lies the utterly false claim that SGAGL was awarded a contract prior to its incorporation, when the verifiable fact is rather that the initial contract of December 2019 was to the constituent companies of the Consortium.
- iii. The incorporation of the SPV would naturally result in an agreement reflecting the new development with SGAGL forming a strategic partnership with Inter-City STC Coaches to access its workshop facilities for a country-wide coverage.
- iv. SGAGL deployed three fully equipped Mercedes emergency mobile workshop vans for prompt and efficient response to unforeseen issues, ensuring minimal downtime and optimal availability of these ambulances for critical medical transport services.
- v. SGAGL undertook comprehensive renovation of the Ministry of Agriculture's workshop in Kumasi, and repurposed it as a specialized workshop for the maintenance, servicing, and repair of the ambulances for optimal operational readiness of the emergency medical vehicles.
- vi. SGAGL has also constructed a purpose-built workshop at the National Ambulance Service's headquarters in Accra, further expanding its support infrastructure for the ambulance maintenance program. Other projects in Ho and Takoradi have stalled due to land litigation.
- vii. The contract specifies a budget for spare parts for a period of five years contingent upon the approvals of both the Bank of Ghana and the Public Procurement Authority, and SGAGL has a dedicated warehouse facility in Tema for secure storage and management of imported parts for use by the NAS.



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- viii. The \$34.9M of which Letters of Credit (LC) was established for \$10M is falsely assigned to cover only mechanical parts, and the figure again deceitfully allotted at about \$113,000 worth of spare parts per an ambulance.
- ix. In fact, over 45,000 **mechanical and medical spare parts** (essential items) have been supplied to the NAS since the ambulances were delivered. Payment for some consignments have been in arrears, and a recent shipment, financed with loans by SGAGL is on its way to Ghana.
- x. In respect of the 2022 Performance Audit, SGAGL had significant disagreements with the Auditor-General's Report which it did not have the chance to contribute any responses by way of the Management Letter. Nonetheless, SGAGL has since refunded the amounts wrongly labelled as double payments to salaried staff of NAS, when these were in the nature of ADHA for hardworking personnel. SGAGL deploys its teams in a fashion consistent with the plan to train and transfer knowledge to staff of NAS serving fleet separate from the 307.

It needs emphasizing that the Ministry of Finance established a \$10 million LC, not direct payment as falsely alleged, and that bank loans have had to be procured to finance key obligations under the contract.

Except that Stephen Okoro is a director of one of the 7 companies, a fact available to public at the Registrar of Companies, the Consortium, its constituent companies or the SGAGL do not have the associations falsely alleged, neither have they engaged in any wrongdoing.

The Consortium and SGAGL have and will continue to act above board in their dealings.

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MD, SGAGL

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