

EXECUTIVE REPORT

GROUP SUPPLY CHAIN

INFORMAL ENQUIRY FOR WAGONS

26 JUNE 2024

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1. Background:

1.1 Wagons:

1.1.1 Rutongo and Nyakabingo both use Wagons imported from SHANDONG CHINA COAL INDUSTRIAL & MINING SUPPLIES GROUP CO. LTD, <http://www.chinacoalintl.com>. The Wagons are good and designed for Underground Mining. However, they are imported and takes time to be delivered to the mines and this affects day to day operations. Therefore, there is a need to acquire wagons from local or regional markets.

1.2 Locally Manufactured Wagons:

- 1.2.1 A team from Rutongo and Nyakabingo Mines visited REMCO a local Manufacture of Wagons and appreciated their work. A sample was showed to the team and REMCO is committed and willing to produce Wagons in case they are given the order.
- 1.2.2 In 2023, they supplied a sample to Nyakabingo which was approved.
- 1.2.3 REMCO does not have other clients which they supply the Wagons.
- 1.2.4 REMCO is giving a shorter delivery period, but the prices are competitive compared to the Imported Wagons after 2 rounds of negotiations and discounted offers.

2. Informal Enquiry:

2.1 Due to the need to use Wagons that can be locally made or from the region, the Group Technical team confirmed the standards of REMCO Products.

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3. Comparison:

Item Description	UoM	QTY	SHANDONG CHINA COAL		REMCO	
			USD	RWF	USD	RWF
Wagons	Pcs	1	950	950	1,235,000	1,235,000
Transport 20 Ft Container (Sea Freight from China to Dar es salaam)	Container	1	385	385	500,000	500,000
Transport 20 Ft Container (Land Freight from Dar es Salaam Port to Kigali)	Container	1	342	342	444,100	444,100
Transport from REMCO to the Mine	Truck	1				33,333
Sub Total					2,179,100	2,394,838
Taxes					708,208	431,071
Total Price for a single Wagon					2,887,308	2,825,909
Total Price for 30 Wagons for Rutongo Mines					86,619,225	84,777,265
Total Price for 24 Wagons for Nyakabingo Mines					69,295,380	67,821,812
Grand Total					155,914,605	152,599,077
Savings						3,315,527.64
Payment Terms					30% advance payment for order confirmation and 70% before shipment	50% advance payment for order confirmation and 50% in 15 days after delivery
Lead Times					90 days	30 days

4. Recommendation:

Due to criticality need of Wagons at sites and first time for REMCO to do mass production of Wagons, both REMCO and SHANDONG CHINA COAL are recommended as follows:

S/N	Mine Names	Item Description	UoM	Quantity	Awarded Supplier
1	Rutongo Mines Ltd	Wagons	Pcs	17	REMCO
2	Rutongo Mines Ltd	Wagons	Pcs	13	Shandong China Coal
3	Trinity Nyakabingo Mine Ltd	Wagons	Pcs	11	REMCO
4	Trinity Nyakabingo Mine Ltd	Wagons	Pcs	13	Shandong China Coal

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GROUP SUPPLY CHAIN MANAGER: SIGNATURE DATE 26/06/2024

5. Authorisation

CHAIRMAN STANDARDS COMMITTEE: SIGNATURE DATE 27 June 2024

GM NYAKABINGO : SIGNATURE DATE 27/06/2024

GM RUTONGO : SIGNATURE DATE 27/06/2024

GM MUSHA : SIGNATURE DATE 26/6/2024

CEO : SIGNATURE DATE