

**KINGDOM OF LESOTHO
LESOTHO HIGHLANDS WATER PROJECT
THE LESOTHO HIGHLANDS DEVELOPMENT AUTHORITY**



LESOTHO HIGHLANDS WATER PROJECT

REQUEST FOR QUOTATION FOR

CONTRACT LHDA No.: 1395

**THE PROVISION OF PROFESSIONAL SERVICES FOR THE DEVELOPMENT OF A
BUSINESS CASE FOR SELF-MANAGEMENT OF THE LHDA LODGES**

LHDA
LHDA Tower Building (Formerly Lesotho Bank Tower)
Kingsway
Maseru, Lesotho

October 2025

1. BACKGROUND

The Lesotho Highlands Water Project (LHWP) is a multi-billion Maloti/Rand bi-national investment Project which was established by the Treaty of 1986 signed between the Governments of the Kingdom of Lesotho and the Republic of South Africa. The LHWP is comprised of large-scale Civil Engineering, Socio Economic and Environmental Aspects. The LHWP is aimed at harnessing the water resources of the highlands of Lesotho through the construction of a series of dams and tunnels for the mutual benefit of Lesotho and the Republic of South Africa. The first phase (Phase I) of the four phased project was completed in 2003, and the second phase (Phase II) is currently underway.

As part of the advance infrastructure of Phases I & II, LHDA constructed lodges at all its project sites, namely Katse, Mohale, 'Muela and Polihali. LHDA has historically outsourced the operations and management of the lodges to third party management companies. However, **LHDA now wishes to self-manage the lodges in an effort to become more self-sustaining, in line with the LHDA 10-Year Strategy.**

LHDA therefore, requires the services of a Consultancy firm to provide **Professional Services for the Development of a Business Case for the Self-Management of the LHDA Lodges.**

2. OBJECTIVE OF ASSIGNMENT

The objective of the assignment is to source a suitably qualified and experienced Consultancy Firm, to explore and validate the feasibility of LHDA self-managing its lodges, which have previously been operated by third-party management companies. **The goal is to identify the potential benefits, risks, and operational requirements to successfully transition to a self-management model.** The business case should provide a clear roadmap for implementation and detail the financial, operational, and strategic impacts of the transition.

3. SCOPE OF SERVICES

3.1 The scope of services of the Consultancy firm shall be, as outlined below:

- 3.1.1** Conduct a comprehensive analysis of the current hotel management model and identify key areas where self-management can create efficiencies and cost savings.
- 3.1.2** Evaluate the operational requirements for self-management, including but not limited to staffing, technological systems, procurement, and service delivery to mention but a few.

- 3.1.3** Analyze financial impacts, including cost-benefit analysis, capital investment, and potential return on investment (ROI).
- 3.1.4** Assess risks and mitigation strategies, including legal, operational, and market risks associated with the transition.
- 3.1.5** Prepare a final Business Case document, that includes all analyses e.g. calculations, graphs, spreadsheets etc., recommendations, and a detailed strategic plan for moving forward.

The detailed requires of the scope of services are as follows:

3.2 Cost Benefit Analysis

The Consultant shall perform a detailed financial analysis to compare costs and revenue potential between self-management and third-party management.

3.3 Customer Experience

The Consultant shall review and refine guest service standards to ensure that customer satisfaction will remain high and/or improve under self-management. Provide guidance on how to ensure brand consistency, ensure that the brand experience remains consistent across properties without third party over-sight.

3.4 Legal Requirements and Compliance

The Consultant is to assess the legal implications and requirements of self-management, including adherence to local, national and international regulations and requirements. The Consultant shall establish all the legal requirements that LHDA must adhere to, to ensure proper operations under self-management and the appropriate legal framework to be undertaken.

The Consultant will also be required to develop a risk management framework to identify potential risks and liabilities, e.g. safety standards and requirements, quality assurance, compliance requirements etc. under self-management.

3.5 Industry Overview

Compare performance metrics (occupancy rates, average daily rate, guest satisfaction, room size, available facilities etc.) with competitors, particularly those who self-manage in a similar level and standard with LHDA Lodges. For those competitors that are performing well identify their competitive edge and LHDA's potential competitive edge over similar establishments. Evaluate how self-management will allow the hotel to adapt more quickly to industry trends such as sustainability, wellness tourism, and digital transformation.

3.6 Organisational Readiness

Assess the organisation's readiness to transition to self-management, including the internal culture, Governance structure, staff readiness, and change

management strategy. And define a clear governance and leadership structure that will support decision-making, accountability, and operational oversight.

3.7 Risk Assessment and Mitigation

Analyze potential financial risks, including fluctuations in profitability, hidden and unexpected costs, and economic downturns. Evaluate risks related to operational failures, such as staffing shortages, technology breakdowns, or supply chain disruptions.

3.8 Implementation Plan

Outline a step-by-step, phased approach to transition from third-party management to self-management, determine the resources (human, financial, technical) required to support the transition and develop a clear timeline with key milestones to ensure smooth implementation and monitoring of progress.

4. DELIVERABLES

The following deliverables are to be provided in two (2) printed copies and one (1) electronic copy.

1. Inception Report.
2. Monthly Progress Reports
3. Draft Assessment Report
4. Presentation of Assessment Report
5. Draft Business Case Report
6. Presentation of Business Case Report
7. Final Business Case Report

5. FACILITIES TO BE PROVIDED BY THE CLIENT

The Client will provide written confirmation of the Service Provider's participation in the Project e.g. Letters of Introduction, if required, for the purposes of obtaining work permits, as required by the laws of Lesotho for this project. While the Client may provide assistance where possible, it is solely the Service Provider's responsibility to comply with the laws of Lesotho.

6. INSTRUCTIONS FOR THE PREPARATION OF QUOTATIONS

This procurement is open to local and regional business entities.

- 6.1** Quotations must be made for the complete Scope of Services as specified in this Request for Quotations (RFQ).
- 6.2** Quotations must be in English and must have a detailed breakdown, itemizing each of the required works and their associated costs.
- 6.3** The quotations will be assessed in line with the Evaluation Criteria given in **Section 14**.

- 6.4** The quotation must be valid for 90 days after the closing date, and the prices will be firm for the entire duration of the assignment (estimated at three (3) months).
- 6.5** The LHDA's Request for Quotation document is obtainable free of charge from the LHDA website (www.lhda.org.ls).
- 6.6** All costs associated with preparing and submitting the quotation, including any other costs relating to subsequent negotiations with the LHDA are to be borne by the Service Provider.
- 6.7** Prices quoted are to be in either Lesotho Maloti or South African Rands, (1 Lesotho Loti = 1 RSA Rand).
- 6.8** The successful Service Provider will be subject to the taxation laws applicable in the Kingdom of Lesotho at the time of quoting and must comply with the Tax Requirements as given in **Annexure C – Tax Requirements**, which shall form part of the Contract Document.
- 6.9** LHDA reserves the right to modify the terms of this Request for Quotations at any time in its sole discretion. Any modifications to the RFQ will be made prior to the submission of quotations and will be posted on the LHDA website. This includes the right to cancel this Request for Quotations at any time prior to engagement of a Service Provider.
- 6.10** LHDA is not bound to enter into a contract with the Service Provider who submits the lowest-priced quotation. Submissions will only be assessed in terms of the Evaluation Criteria, as given in **Section 14 – Evaluation Criteria**.
- 6.11** All information pertaining to the LHDA, obtained by the Service Provider as a result of participation in this procurement process is confidential and must not be disclosed without written authorisation from the LHDA.
- 6.12** All terms and conditions of this Request for Quotations are deemed to be accepted by the Service Provider and incorporated by reference in their quotation, except such conditions and provisions that are expressly excluded. There will be an opportunity to review these conditions upon selection of the successful Service Provider and during subsequent negotiations.
- 6.13** The successful Service Provider's quotation may form part of the final Contract.
- 6.14** All proposals submitted are irrevocable after the due submission date until the expiry of the quotation validity period indicated above, and as such the bidder binds himself/herself that he/she will enter into negotiations with LHDA based on the submitted proposal.

7 STRUCTURE OF THE QUOTATION

The response to this RFQ should comprise the detailed financial proposal (quotation) and a brief (technical proposal), detailing the methodology and resources to be used in executing the assignment. The brief should be concise and clear so that it can be established if the **Service Provider understands the assignment**. The experience of the company and the CVs of the personnel to be engaged on this project, should be included. The brief will constitute the technical proposal component of the submission. The Service Provider who does not demonstrate capability as inferred from the brief, will not be considered for award even if their price is the lowest.

The Service Provider's financial proposal should cover all aspects such as professional fees, overheads, reimbursables and should include the cost of attending meetings and presentations as well as any other costs that may be deemed necessary to carry out the works. It is important to note that the Service Provider will be required to comply with the **LHWP Anti-Corruption Policy**, as given in **Annexure B** and the Lesotho Tax Laws.

The Consultant shall prepare the quotation, as described in this section, and follow the format detailed hereunder:

- 7.1** Title Page with a title of the Quotation, Service Provider's name and address, contact person and contact telephone number and email address.
- 7.2** Table of Contents including page numbers.
- 7.3 Technical Proposal**
 - 7.3.1** As part of the Technical Proposal the Service Provider is to submit the following:
 - 7.3.2** Their CVs using the Standard Forms provided in **Annexure Standard Forms** of this RFQ.
 - 7.3.3** The CVs should include the following information:
 - a) Projects undertaken by the individual(s) for other organizations, preferably in Lesotho and/or RSA.
 - b) Client's name & contact details of the Clients
 - c) Brief description of projects previously undertaken,
 - d) Provide details of the exact service(s) performed/provided
 - e) Project duration
 - f) Total Project cost
 - 7.3.4** A brief description of the methodology and approach that will be used to undertake the Scope of Services.

- 7.3.5** The Service Provider must also provide full but concise information about the company experience, in relation to the services to be performed.
- 7.3.6** Reference letters from at least three (3) previous Clients where similar services were provided, with contactable details provided.
- 7.3.7** The Service Provider shall submit the company profile together with proof of company registration, i.e. Traders License, VAT certificate and/or Tax Clearance Certificate etc.

7.4 Financial Proposal

The financial proposal should contain an itemized quotation of the costs associated with each task.

The quotation should contain:

- a) Fees
- b) Reimbursable expenses, if any.
- c) Quote prices excluding VAT
- d) VAT to be shown separately below the Sub-total (price), if applicable.
- e) The quotation must have a detailed cost break-down for each task associated with the provision of the service
- f) The validity of the price must be shown on the quotation and must extend up to 90 days from the date of submission of the quotation.
- g) The quotation should be on company letterhead.

8. STANDARD FORMS

In order to make it easier, consistent and to ensure that each submission receives full consideration, Service Providers are to complete and strictly adhere to the format of the forms provided under **Annexure A – Standard Forms** of this document.

9. CLARIFICATIONS.

Requests for clarifications and/or further information shall be directed in writing to the following email address: procurement@lhda.org.ls

10. SERVICE PROVIDER'S QUALIFICATIONS AND EXPERIENCE

The Service Provider shall be suitably qualified, experienced and competent enough to carry out all the Services under this Contract. The following are the minimum required qualifications and experience, which the Service Provider must possess to effectively undertake the assignment.

10.1 Team Leader

Qualification: Degree in Commerce or equivalent

Experience: He/She must have a minimum of ten (10) years' experience in the Business Management leading diverse team(s).

10.2 Hospitality Manager

Qualification: Degree in Hospitality Management or equivalent

Experience: He/She must possess a minimum of eight (8) years' experience in the Management of Hospitality Facilities e.g. hotels, lodges, resorts, etc. Must have demonstrable experience in the performance analysis of hospitality facilities.

10.3 Financial Analyst

Qualification: Chartered Accountant (CA) or CIMA Professional

Qualification (CGMA)

Experience: He/She must possess a minimum of 5 years' experience in business analysis.

11. SUBMISSION OF QUOTATIONS

11.1 The complete quotation, must be submitted in one original copy marked "Original" and accompanied by three (3) copies marked "Copies", bundled together in one envelop and one electronic copy e.g. CD-ROM all marked **"Quotations for the Provision of Professional Services for the Development of a Business Case for the Self-Management of the LHDA Lodges."**

11.2 The envelope should bear the name of the Service Provider.

11.3 The quotations are to be deposited into the LHDA Tender box located on the 7th floor, LHDA Tower Building (formerly Lesotho Bank Tower Building) – Kingsway Road Maseru, **on or before 1200hrs on Friday 12th December 2025.**

11.4 Late submissions will NOT be accepted.

11.5 The use of courier services is at the Bidders own risk.

11.6 A mandatory briefing of potential bidders will be held on Friday the 07th November at Lesotho Highlands Tower Building 7th Floor at 09.00

12. PROPOSED TIME FRAMES

a) Closing Date for Requests for Clarifications	28 th November 2025
b) Closing Date for Responses to Clarification	05 th December 2025
c) Submission of Quotations:	12 th December 2025
d) Completion of evaluation:	16 th January 2026
e) Notification of Award - Purchase Order/Contract:	30 th January 2025

Proposals should be submitted **on or before 12th December 2025** at the LHDA Tender Box at the LHDA Tower Building (formerly Lesotho Bank Tower Building) clearly marked **Quotation for Contract LHDA No. 1395 – Professional Services for the Development of a Business Case for the Self-Management of the LHDA Lodges.**

13. EVALUATION CRITERIA

The evaluation of the quotes shall be based on the following criteria, which is in two parts, the Technical Evaluation and the Financial Evaluation. The Technical Evaluation Score will account for 70% of the final score, while the Financial Evaluation Score will account for 30% of the final score.

The evaluation shall be based on the criterion given in the table below which entails a technical assessment (Items 1 - 3) and a financial assessment (Item 4).

Table 1 – Evaluation Criteria

	CRITERION	POINTS
Technical Component of the Criteria		
1	Quotation Presentation	5
	Proposal that is clear, Complete, and conforms with the requirements of this RFQ	1 2 2
2	Team Qualifications and Company Experience and references	50
2.1	Team Qualifications a. Team Leader – BCom degree or equivalent, with a minimum of ten (10) years' experience in business management leading diverse teams. b. Hospitality Manager – Degree in Hospitality Management or equivalent, with 8 years' experience in the management of hospitality facilities. Must have demonstratable experience in the performance analysis/assessment of hospitality facilities. c. Financial Analyst – Chartered Accountant or Chartered Institute of Management Accountants, with 5 years' experience in business analysis.	10 8 7
2.2	Company Experience The Company(ies) should have experience in business analysis with a minimum of three projects which are of a similar nature include hospitality facilities (e.g. lodge, guesthouse, hotel, etc.). One of the projects should demonstrate where a turn-around strategy or similar was proposed/employed.	15
2.3	References A letter of reference for each of the project listed under 2.2., which provides Client's Name, Contact Details of the Client Representative (i.e. telephone/cellphone number and email address).	10
3	Approach and Methodology and work Programme	15

3.1	Technical Approach and Methodology A Proposal should demonstrate a clear understanding of the project requirements, draws attention to the issues related to the assignment, raises important issues that have not been stated in the RFQ, and provides means of solving such issues.	10
3.2	Work Programme This evaluation will consider whether the timing and duration of all activities are appropriate and consistent with the required output, and whether relationships between activities are realistic and consistent with the proposed methodology.	5
Financial Component of the Criteria		
4	A schedule of costs detailing fees and disbursements for the Project.	30
TOTAL		100

For Service Providers to have their financial proposal evaluated, they must obtain a minimum technical score of 70%.

It should be noted that the financial component of the proposal will be evaluated using the equation below:

$$F_s = \frac{P \times 30}{P_o}$$

Where:

F_s = Score for Financial Component

P = Lowest Priced Quotation

P_o = Price of the Quotation being evaluated

14. DURATION OF THE ASSIGNMENT

LHDA will enter into a three (3) months Contract with the preferred Service Provider. A Purchase Order maybe issued. However the assignment will be administered through a contract, to manage the rights and obligations of the Parties.

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ANNEXURE A: STANDARD FORMS

SECTION 1 – CURRICULUM VITAE

Curriculum Vitae

1. Name of Expert:
2. Proposed Position:
3. Company/Consortium:
4. Gender:
5. Nationality:
6. Date of Birth:

7. Education

Name of Institution	Degree Obtained	Dates Attended
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8. Other Training

Name of Institution	Training Details	Dates Obtained
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9. Countries of Work Experience

Country	Dates (Start – End)	Dates Obtained
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10. Languages (Scale of 1-5: 1= excellent, 5 = poor)

Language	Speaking	Reading	Writing
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- 11. Employment Record** *Starting with current position, list in reverse order every employment held by Expert since graduation, giving dates of employment, name of employing organization, positions and responsibilities held.*

Dates: start/end

Employer:

Position Held:

Location of Position:

Responsibilities:

12. Detailed Tasks

Assigned *Describe all tasks to be performed under this assignment.*

Responsibilities:

13. Detailed Tasks Assigned *Describe all tasks to be performed under this assignment.*

14. Relevant Experience *List job functions that best illustrate individual's ability to perform the tasks assigned (include a maximum of five projects).*

Project 1:

Dates: start/end

Locations:

Client:

Project Description:

Positions Held:

Activities Performed:

Project 2:

Dates: start/end

Locations:

Client:

Project Description:

Positions Held:

Activities Performed:

Project 3:

Dates: start/end

Locations:

Client:

Project Description:

Positions Held:

Activities Performed:

Certification

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes me, my qualifications, and my experience.

Furthermore, I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

Finally, I hereby confirm my availability to commence work on this project, from
[Insert Date] 2025.

Name of Candidate

Candidate's Signature

Date

SECTION 2 – PROJECTS DATA SHEET

Lesotho Highlands Water Project

PART I – SERVICE PROVIDER’S ORGANIZATION

Provide a brief description of the background and organization of your company using the template Company Data Form attached.

In the case of a Joint Venture or sub-consultant, provide a Company Data form for each member for this assignment.

PART II – SERVICE PROVIDER’S EXPERIENCE

Provide a summary of at least three (3) and not more than ten (10) similar assignments successfully completed in the last ten (10) years using the Project Data Sheet attached. Bidders may also include sheets for current assignments that are at least fifty percent (50%) complete. References from all the Employers/Clients shall be provided for each of the projects submitted.

Assignments completed by the Bidder’s sub-consultant(s) can also be claimed as relevant experience.

COMPANY DATA FORM

(To be submitted by all firms including JV partners and sub-consultants)

1. Legal Name of Firm:
2. Type of Company (partnership, etc):
3. Years in Business:
4. Gross Revenue over the last three (3) years:
(attach audited income statement and balance sheet for the past 3 years for lead firm or JV partners – not to exceed 4 pages per firm. Do not submit for sub-consultants)
5. Company Address:

Name and Contact Information for Authorized Representative

(if submission is made as a JV, include only one person to be contacted in reference to this Proposal)

6. Company Organization:

7. General Description of Services Provided (indicate particular specialties):

8. **Staff:** *Indicate total number of staff including principals, professionals, and support staff. Professionals should be categorized by discipline (e.g. civil, geotechnical, environmental, etc.)*

Note: Careful completion of this form is sufficient for this section and as such, general company brochures are strongly discouraged.

PROJECT NAME					
LEGAL NAME OF FIRM:			EMPLOYER/CLIENT:		
COUNTRY:			NAME OF PRIMARY CONTACT AT CLIENT ORGANIZATION:		
TOTAL PROJECT VALUE:	SERVICES	CONSTRUCTION WORKS	PROJECT PERIOD:	START DATE (MMM-YY)	End Date (MMM-YY)
PROPORTION PERFORMED BY YOUR FIRM (%):			SOURCE OF PROJECT FUNDING:		
NO. OF STAFF PROVIDED:			NAME OF CONSORTIUM/JV MEMBERS (IF ANY):		
PROJECT DESCRIPTION			DESCRIPTION OF SERVICES PROVIDED BY YOUR FIRM (INCLUDE ROLES AND NAMES OF ANY KEY STAFF INCLUDED IN THIS PROPOSAL)		

Note: Careful completion of this form is sufficient for this section and as such, general company brochures are strongly discouraged. Data sheets for a maximum of ten (10) projects shall be submitted with the Proposal. Each data sheet shall be accompanied by a reference from the Employer/Client.

SECTION 2 – APPROACH AND METHODOLOGY

DESCRIPTION OF APPROACH, METHODOLOGY, AND PROJECT ORGANISATION

Provide a description of the approach, methodology, and work plan for performing the assignment, including a detailed description of the proposed methodology and staffing, if required.

Recommended structure for description of approach, methodology, and work plan:

- 1. Technical Approach and Methodology. Explain your understanding of the objectives of the assignment as outlined in the Scope of Services (SOS'), the technical approach, and the methodology to be adopted for implementing the tasks to deliver the expected output(s), and the degree of detail of such output. Please do not repeat/copy the SOS.*

This description should include notes on the methods, personnel, procedures, and computer hardware and specialty software to be used for the assignment.

- 2. Organisation and Staffing. Describe the structure and composition of the proposed team, including the list of the Key Staff, Support Staff and relevant technical, as well as administration and other support staff, if required.*

The Service Provider must provide the additional Key and Support Staff according to its understanding of the work to be performed. Job descriptions must be provided for categories proposed.

Include an organisation chart that illustrates the following:

- a. Interfaces between the Consultant's team and:*
 - i. Home office*
 - ii. LHDA*
 - iii. All positions proposed*
 - iv. Names of Key Staff and their positions*
 - v. Parent firm of each professional*

The text of this section shall include a concise statement of the duties of each member on the organogram and the suitability of their qualifications for the assignment.

Limit this section to five (5) pages.

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ANNEXURE B: LHWP ANTI-CORRUPTION POLICY

LHWP ANTI-CORRUPTION POLICY - 2019

Adopted by the Lesotho Highlands Water Commission in April 2019

1. This Policy has been adopted pursuant to Article 16 of the Agreement on Phase II of the Lesotho Highlands Water Project between the Government of the Kingdom of Lesotho and the Government of the Republic of South Africa.

Definitions:

2. In this Policy:
 - 2.1. the Lesotho Highlands Water Project will be referred to as the Project and includes Phases IA, IB and II thereof;
 - 2.2. the Project Authority includes the Lesotho Highlands Water Commission ("the LHWC") and the Lesotho Highlands Development Authority ("the LHDA");
 - 2.3. employees of the Project Authority include employees and board members of the LHDA and employees of and delegates to the LHWC;
 - 2.4. in the context of this Policy, an agent is not a *bona fide* business, practice or individual which provides facilitation services to consultants and contractors for the purposes of registration with government authorities and for obtaining the necessary licences, permits and clearances to practice within the Kingdom of Lesotho (e.g. Income tax clearance, trading licence, work permits, etc.). In the context of this Policy, such facilitators are legitimate service providers for purposes of assisting consultants and contractors to comply with the legal requirements for permitting, licencing and registration.

Background:

3. Phases IA and IB of the Project were tainted by corruption which caused the integrity of the Project to be undermined and questioned.
4. Despite the best efforts of the Lesotho prosecuting authorities, working in conjunction with the Project Authority, and by reason of the insidious nature of corruption, the full extent of the corruption in connection with these Phases is not known, nor is the identity of each and every entity or individual involved.
5. In the light of these experiences the Phase II Agreement provides in Article 16 for the development and adoption of an Anti-Corruption Policy for the Project.

Principles:

6. All persons or entities involved in the Project must observe the highest standards of compliance and ethics. The Project Authority shall take all appropriate measures to combat corruption in all its forms.

7. All contracting parties or entities, and persons otherwise involved in the Project, shall take all appropriate measures to prevent and combat corruption and to refrain from engaging in corruption in connection with their involvement in the Project.

Application of Policy:

8. The provisions of this Policy shall apply to all contractors and consultants involved in the Project, including the pre-qualification of bidders and tenderers (where applicable), the evaluation of bids and tenders and the award of contracts.
9. Henceforth every contract entered into under the Project shall provide for the incorporation of this Policy into such contract.
10. The provisions of this Policy shall apply to the employment and the conduct of employees of the Project Authority.
11. The provisions of this Policy shall apply to recipients of compensation in terms of the Project.
12. For the purposes of this Policy corruption shall include the following:
 - 12.1. A “corrupt practice”, such being the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of any person or entity in connection with the Project.
 - 12.2. A “fraudulent practice”, such being any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, any person or entity in connection with the Project, to obtain a financial or other benefit or to avoid an obligation.
 - 12.3. A “collusive practice”, such being an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of any person or entity in connection with the Project. Such practices may include:
 - 12.3.1. Corporate conflict of interest, where two or more firms are engaged in joint pursuits elsewhere with a common business goal such that the firm or its employees “have the potential or ability to influence or be influenced in their judgement or evaluation of an offer, bid or tender of one of the firms engaged with them elsewhere such that the evaluation/assessment cannot be completely impartial/unbiased and objective”; or
 - 12.3.2. Perceived conflict of interest, defined as “when a third party observing the procurement process considers the process to be influenced or biased based on the perception of business or other relationships between the corporate entities”.

12.4. Bias when dealing with claims and variation orders during administration of the contract. A “coercive practice”, such being impairing or harming, or threatening to impair or harm, directly or indirectly, or to influence improperly, any person or entity in connection with the Project.

12.5. An “obstructive practice”, such being:

12.5.1. the destroying, falsifying, altering or concealing of evidential material relevant to an investigation, as referred to in paragraphs 28 and 29 hereunder, or the making of false statements to investigators in order to materially impede such investigation; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to such investigation or from pursuing such investigation; or

12.5.2. acts intended to materially impede the exercise of the Project Authority’s right to access to information, as referred to in paragraphs 28 and 29 hereunder.

Participation in Contracts:

13. Where a contractor or consultant, or any employee or former employee of such contractor or consultant, or any individual, was previously involved or implicated in corruption, such contractor, consultant or individual may be excluded from any involvement in the Project. Such exclusion will be at the sole discretion of the Project Authority based on a reasonable assessment of all the facts at its disposal.

14. Any contract awarded in relation to the Project will commit the contractor, consultant or individual concerned not to involve itself or himself/herself in corruption, whether relating to the specific contract or not, concerning any employee of the Project Authority or any other entity or person having an interest in the Project.

15. The Project Authority in dealing with the pre-qualification of bidders and tenderers, the evaluation of bids and tenders, as well as the award of contracts, will have regard to the use of agents by contractors or consultants, both in the procurement or execution of previous contracts as well as their intended involvement in the Project. Here the Project Authority will be entitled to assume, unless shown otherwise, that such use or intended use of agents involved or will involve corruption.

Confidential Business Information/Client Privilege

16. Confidential Business Information (CBI) shall include all forms of client privilege information pertaining to fees, cost estimates, engineering design, specifications, method statements, reports, prototypes, bid and tender evaluation reports, etc. All CBI shall be protected by signed declarations by all individuals engaged on the Project or contracted to the Project Authority for

purposes of carrying out consultancy services related to the implementation of LHWP. Such declarations shall take the form of Non-Disclosure Agreements (NDA), which will be signed by the other party and retained by the Project Authority.

Specific Obligations of Prospective Contractors and Consultants:

17. Every prospective contractor or consultant shall at the earliest opportunity in any bid or tendering process disclose to the Project Authority any prior involvement by it or any of its current or former employees in corruption.
18. Every prospective contractor or consultant shall disclose both its past and present use of agents in the procurement or execution of contracts and such disclosure will specifically include the contractual arrangement with such agent including the basis upon which such agent was or will be remunerated.
19. Every prospective contractor or consultant shall at the earliest opportunity in the bidding or tendering processes or at any point during the execution of a contract, disclose to the Project Authority any conflict or potential conflict of interest, whether personal or corporate, whether real or perceived, including but not limited to any employee of the Project having an interest, financial or otherwise, in the contractor or consultant or such contractor's or consultant's proposed involvement in the Project.
20. All contractors and consultants, as well as their employees and agents, as well as employees of the Project Authority, involved in the Project, shall commit themselves to taking all appropriate measures to prevent corruption and shall immediately report to the Project Authority any corruption that comes to their attention, and any failure to so report shall be deemed to constitute corruption.
21. The Project Authority shall do everything in its power to protect the identity of employees who act in terms of their aforesaid obligation to report instances of corruption. In addition, the Project Authority shall seek to ensure that such employees are not victimised or otherwise discriminated against as a result of their so reporting.
22. The Project Authority has implemented a "whistle-blower" policy which shall be available for anonymous reporting of corruption or perceived corruption to ensure early warning and reaction by the Authority. All reports shall be treated as confidential and will provide protection/asylum to any party making a disclosure. The reports from the hotline number go to an independent hotline service provider. After a preliminary investigation, they report to the Chief Executive (CE) if the matter does not involve the CE otherwise the case is reported to the Audit and Risk Chairperson for further investigation.
23. All contractors and consultants, as well as their employees and agents, as well as employees of the Project Authority, involved in the Project, shall, if called upon to do so, fully co-operate with the Project Authority and/or the Lesotho Director of Public Prosecutions or any person

designated by him, in any investigation into allegations of corruption, whether against them or their employee or agent, or against any other entity or person.

Sanctions:

24. In addition to any contractual rights in terms of specific contracts, the Project Authority shall have the right to cancel any contract under the Project in the event that the award of such contract or its execution is shown to have involved corruption. The Project Authority shall be entitled to exercise this right once it is reasonably satisfied on the information at its disposal that such corruption has indeed occurred. It will not however exercise such right without giving the contracting party involved a reasonable opportunity to refute any allegation or evidence of corruption levelled against it.
25. Any breach of this Policy by an employee of the Project Authority shall be deemed a material breach of his or her conditions of employment.
26. Compliance with this Policy through early disclosure will not necessarily result in punitive action or disqualification but will be subject to the ruling and determination of the Project Authority's Conflict of Interest Committee or legal counsel.
27. Determination of a Conflict-of-Interest rests with the Project Authority and not with the respondent.

Investigation and Access to Information:

28. The Project Authority shall have the right, in the event of allegations of corruption against any contractor or consultant, or any of their employees, former employees or agents, as well as employees of the Project Authority, to investigate such allegations, and such right shall include the right of access to the said entity or person's records and/or other evidential material which in the opinion of the Project Authority may be relevant to such investigation.
29. The entity or person referred to in paragraph 28 shall be obliged to fully co-operate with any such investigation and shall make available to the Project Authority any records or other evidential material as the Project Authority may require for purposes of such investigation.
30. The investigation referred to in paragraphs 28 and 29 shall be conducted by independent investigators appointed by the LHDA Board or the LHWC.

Ethics, Training and Compliance:

31. The Project Authority requires that all employees, consultants and contractors undergo Ethics and Compliance training at the commencement of services and annual refresher courses for as long as the individual/entity is engaged on the Lesotho Highlands Water Project Phase II. The Project Authority will direct and cause to be presented appropriate training and will conduct regular audits to ensure compliance by consultants and contractors on the Project.

**KINGDOM OF LESOTHO
LESOTHO HIGHLANDS WATER PROJECT
THE LESOTHO HIGHLANDS DEVELOPMENT AUTHORITY**



LESOTHO HIGHLANDS WATER PROJECT

REQUEST FOR QUOTATION FOR

CONTRACT LHDA No. 1395

**THE PROVISION OF PROFESSIONAL SERVICES FOR THE DEVELOPMENT OF A
BUSINESS CASE FOR SELF-MANAGEMENT OF THE LHDA LODGES**

ANNEXURE C: TAX REQUIREMENTS



TAX REQUIREMENTS

Taxation

The Consultant/Contractor shall comply with the relevant and applicable taxation laws of Lesotho, as amended, in terms of the Treaty, and with the requirements and reporting as specified in article 14 and Annexures III and IV of The Phase II Agreement. Article 14 amends the Treaty and regulates specifically the following Lesotho taxes:

- 1) Value Added Tax
- 2) Withholding Taxes
- 3) Income Taxes Corporate and Individual
- 4) Dues and Charges paid
- 5) Fringe Benefit Tax

It is imperative that the Consultant/Contractor takes note of the detailed requirements to fully disclose payment of all taxes when presenting Value Added Tax Invoices/Certificates for payment and such disclosure to be in the format as advised by the LHDA. Failure to do so, shall constitute sufficient grounds for the LHDA to terminate this contract.

Tax Registration

Entities planning to submit tenders for contracts with LHDA should research the requirements which can be found in:

- 1) Companies Act no 18 of 2011.
- 2) The Income Tax Act 1993.
- 3) VAT Act 2001
- 4) The Phase II Agreement.
- 5) Double Taxation Agreement between Lesotho and South Africa.

Invoice Compliance and Tax Declaration

Payment of Invoices/Certificates will be subject to submission of the contracting party's declaration on a separate tax declaration form, with original receipts attached, of all taxes paid in terms of Article 14(20) of the Agreement on Phase II – including Expatriate PAYE; Corporate taxes; Dues & Charges; Fringe Benefits Tax, etc.