

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



LESOTHO HIGHLANDS WATER PROJECT

REQUEST FOR QUOTATION FOR

CONTRACT LHDA NO. 2231

UNIT TRANSFORMER ASSESSMENT

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

DECEMBER 2024

1. BACKGROUND

The Lesotho Highlands Development Authority (LHDA) requires a competent Service Provider /Contractor to carry the assessment of its three-unit transformers by taking out the oil and inspecting the transformer internally, including assessment of the paper insulation

The Lesotho Highlands Water Project (LHWP) is a multi-disciplinary, multi-phase, bi-lateral project undertaken by the Governments of the Kingdom of Lesotho and of the Republic of South Africa in accordance with a Treaty signed between the two countries in 1986. The Lesotho Highlands Development Authority (LHDA) is a statutory body constituted under the Lesotho Highlands Development Authority Order No. 23 of 1986. The LHDA is responsible for the implementation, operation and maintenance of the Lesotho Highlands Water Project (LHWP) in Lesotho. To fulfil their obligations in terms of operation of the LHWP, the LHDA Muela Branch requires an assessment of its oil filled unit transformers.

2. OBJECTIVE OF ASSIGNMENT

The objective of the assignment is to engage a Service Provider/Contractor with experienced in transformer manufacturing, inspections and repairs of oil filled transformers, to assess the three-unit transformers, at Muela Hydropower Plant. The Service Provider is to take out the oil and inspect the transformer internally, to identify and address the root cause of the gas built-up and replace the oil within the transformers. Furthermore, remove water from the 20MVA transformer oil.

3. CONTRACT CONDITIONS

The conditions of contract are the Fidic Conditions of Contract for Short Form of Contract, First Edition, 1999, published by the Federation Internationale des Ingenieurs-Conseils (FIDIC).

4. SCOPE OF WORK

The following activities forms the Scope of Work:

4.1 Generator Transformers:

- Supply and delivery of 55,500 transformer oil (virgin oil).
- Drain oil from the three generator transformers.
- Dispose the used oil using service providers certified to handle hazardous waste.
- Inspect the transformer internally, identify and rectify hot spot areas.
- Take physical paper sample from the windings and submit it to laboratories for analysis.
- Repair the area where the paper sample was taken.

- Carry out all necessary verification tests which include SFRA, tan Delta, insulation etc. and commission each transformer before putting them back to service.

4.2 Regional transformer 20MVA:

- Remove moisture from the transformer oil.

The Service Provider will also be required to provide a detailed report on the tests conducted, inspection findings, transformer condition and a recommendation of the approximate time at which the generator transformers can be replaced. The Service Provider shall supply and cost all equipment and activities required for the successful completion of the works.

Before submitting the proposal, the Service Providers shall familiarise themselves with the work area.

The fire doors providing access to the transformer chambers are 2.8m wide and 3.5m high. The transformers are enclosed within fire protection walls. They are accessible through double doors which are 1.4m x 3.5m. The Service Provider shall plan how they will position their plant to ensure the works are carried out successfully.

5. DELIVERABLES

The deliverables under this contract are:

- 5.1 Winding insulation paper sampling report.
- 5.2 Assessment completion report.

6. FACILITIES TO BE PROVIDED BY THE CLIENT

- 6.1 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.
- 6.2 Power supply, 400V free of charge.

7. INSTRUCTIONS FOR THE PREPARATION OF QUOTATIONS

This procurement is open to local and South African business entities.

- 7.1. Quotations must be made for the complete Scope of Work as specified in this Request for Quotations (RFQ).
- 7.2. Quotations must be in English and must have a detailed breakdown, itemizing each of the required works and their associated costs.

- 7.3. The quotations will be assessed in line with the Evaluation Criteria given in **Section 14**.
- 7.4. 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.
- 7.5. The LHDA's Request for Quotation document is obtainable free of charge from the LHDA website (www.lhda.org.ls).
- 7.6. 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.
- 7.7. Prices quoted are to be in either Lesotho Maloti or South African Rands, (1 Lesotho Loti = 1 RSA Rand).
- 7.8. 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/Agreement.
- 7.9. 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.
- 7.10. 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**.
- 7.11. 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.
- 7.12. 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.
- 7.13. The successful Service Provider's quotation may form part of the final Contract.
- 7.14. All proposals submitted are irrevocable after the due submission date until the expiry of the bid 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.

8. STRUCTURE OF THE QUOTATION

The response to this RFQ should comprise the detailed financial proposal (quotation) and a brief, detailing the methodology, equipment 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 both the company(ies), 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 costs related to the successful implementation of the project. A detailed breakdown of the costs shall be provided to indicate how each cost item was achieved. 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 Service Provider shall prepare the quotation, as described in this section, and follow the format detailed hereunder:

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

- 8.3.5 The Service Provider must also provide full but concise information about the company(ies) experience, if applicable, in relation to the services to be performed.
- 8.3.6 Reference letters from at least three (3) previous Clients where similar services were provided, with contactable details provided.
- 8.3.7 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., if applicable.
- 8.4 Financial Proposal
The financial proposal should contain an itemized quotation of the costs associated with each task.
- 8.4.1 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.

9. 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.

10. CLARIFICATIONS

Requests for clarifications and/or further information shall be directed in writing to the following email address:

procurement@lhda.org.ls

11. 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.

11.1 Supervisor

Diploma in electrical engineering. Ten(10) years experience or more in the servicing and manufacturing of transformers.

11.2 Technician

Diploma in Electrical Engineering or equivalent. Five(5) years experience or more in the servicing and manufacturing of transformers.

12. SUBMISSION OF QUOTATIONS

12.1 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 "**Unit Transformer Assessment**".

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

12.3 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 Monday 7th February 2025.**

12.4 **Late submissions will NOT be accepted.**

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

13. PROPOSAL TIME FRAMES

a) Site Visit	23 January 2025
b) Closing Date for Requests for Clarifications	28 January 2025
c) Closing Date for Responses to Clarification	31 January 2025
d) Submission of Quotations:	7 February 2025
e) Completion of evaluation:	14 February 2025
f) Notification of Award - Purchase Order/Contract:	21 February 2025

The **site visit is mandatory** and is scheduled for the **23 January 2025 at 10:30 at Muela Hydro Power Station, Botha -Bothe.**

Proposals should be submitted **on or before 7th February 2025** at the LHDA Tender Box at the LHDA Tower Building (formerly Lesotho Bank Tower Building) clearly marked **Quotation for Unit Transformer Assessment – 'Muela Hydropower Station.**

14. 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	2
	Proposal that is clear, complete [1] and conforms with the requirements of this RFQ[1]	1 1
2	Team Qualifications and Company Experience and references	35
2.1	Team Qualifications	
	a. Supervisor – Diploma in Electrical Engineering[5], with a minimum of ten (10) years in transformer manufacturing and Servicing[15]. (academic qualification be attached)	20
	b. Technician – Diploma in Electrical Engineering or equivalent[3] with a minimum of Five (5) years experience[4].	7
2.2	Company Experience The Company(ies) should more than 20 years' experience in manufacturing [5] and servicing of oil type power transformer [6]. Images of the completed projects should be included as part of the submission.	6
2.3	References A letter of reference of the project listed under 2.2 above, which provides Client's Name, Contact Details of the Client Representative (i.e. telephone/cellphone number and email address).	2
3	Procedure and Work Programme	28
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. 1. Detailed procedure showing the following activities will be performed. The following shall be provided as a minimum: i. Removal of contaminated oil [2] ii. Areas to be inspected within the transformer to identify the source of the gases. Mention of probable sources of heat & actions to rectify [5] & verification tests [5]	

	<ul style="list-style-type: none"> iii. Procedures for filling the oil [2] and providing the standard to be followed [2] iv. How paper sampling will be taken out [5], repair methodology and type of insulation material to be used for repair [5] v. Procedure to be used to remove remnant contaminated oil from the transformer [2] 	
3.2	<p>Work Programme</p> <p>This evaluation will consider whether the timing and duration of all activities are appropriate and consistent with the required 30 days project duration, and whether relationships between activities are realistic and consistent with the proposed methodology.</p>	5
Financial Component of the Criteria		
4	A schedule detailing all costs related to 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

15. DURATION OF THE ASSIGNMENT

LHDA will enter into a one (1) month Contract with the preferred Service Provider, during the month of March 2025. A purchase order maybe issued however the assignment will be administered through a contract, to manage the rights and obligations of the Parties.

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



LESOTHO HIGHLANDS WATER PROJECT

REQUEST FOR QUOTATION FOR

CONTRACT LHDA No. 2231

UNIT TRANSFORMER ASSESSMENT

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
---------------------	-----------------	----------------

8. Other Training

Name of Institution	Training Details	Dates Obtained
---------------------	------------------	----------------

9. Countries of Work Experience

Country	Dates (Start – End)	Dates Obtained
---------	---------------------	----------------

10. Languages (Scale of 1-5: 1= excellent, 5 = poor)

Language	Speaking	Reading	Writing
----------	----------	---------	---------

11. Employment Record *Starting with current position, list in reverse order every employment held by Expert/Technician/Engineer 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]** 2024.

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-contractor, provide a Company Data form for each member for this assignment.

PART II – SERVICE PROVIDER’S EXPERIENCE

Provide a summary of at least five (5) and not more than fifteen (15) 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-contractor(s) can also be claimed as relevant experience.

COMPANY DATA FORM

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

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-contractors)
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 Technicians who will be carrying out the transformer assessment they should be by discipline (e.g. electrical, mechanical, 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 <i>(INCLUDE ROLES AND NAMES OF ANY KEY STAFF INCLUDED IN THIS PROPOSAL)</i>				

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 fifteen (15) 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 Work (SOW'), 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 SOW. 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 Contractors/Service Provider'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.

NB: Please note that this is only applicable if the Service Provider will not work alone

Limit this section to five (5) pages.

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



LESOTHO HIGHLANDS WATER PROJECT

REQUEST FOR QUOTATION FOR

CONTRACT LHDA No. 2231

UNIT TRANSFORMER ASSESSMENT

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.2231

UNIT TRANSFORMER ASSESSMENT

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.