

Central Bank Of Lesotho



Request for Proposals

Management Contract for the Operation of Lehakoe Recreation
& Cultural Centre

Request for Proposal No: CBL/FNC/TC/02/8/C/TC/2018

Issue date: **11th May 2018**

Submission Location: Tender Box Reception area
Central Bank of Lesotho
Cnr. Moshoeshoe & Airport Roads Maseru, Lesotho

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Table of Contents

- 1. *Executive Summary* 4
- 2. *Administrative Requirements Section* 5
 - 2.1. *Request for Proposal Information*..... 5
 - 2.1.1 *Terminology for this RFP*..... 5
 - 2.1.2 *Submission Time-Frame*..... 6
 - 2.1.3 *Contact Persons* 6
 - 2.1.4 *Reference Material*..... 6
 - 2.2. *Request for Proposal Process* 6
 - 2.3.1. *Clarification* 6
 - 2.3.2. *Eligibility*..... 6
 - 2.3.3. *Evaluation and Selection* 6
 - 2.3. *Proposal Preparation* 7
 - 2.3.1. *Proposal Format* 7
 - 2.3.2 *Approach*..... 7
 - 2.3.3 *Deliverables*..... 7
 - 2.3.4 *Proponent’s Experience* 7
 - 2.3.5 *References* 8
 - 2.3.6 *Delivery of Proposals* 8
 - 2.3.7 *Technical Proposal* 8
 - 2.3.8 *Financial proposal* 8
 - 2.3.9 *Costs of Responding* 8
 - 2.3.10 *Proposal Validity & Firm Pricing* 9
 - 2.3.11 *Currency and Taxes* 9
 - 2.3.12 *Compliance to Tax Obligations* 9
 - 2.4. *Additional Information* 9
 - 2.4.1 *Modification of Terms* 9
 - 2.4.2 *Ownership of Proposals* 9
 - 2.4.3 *Confidentiality of Information*..... 9
 - 2.4.4 *Project Budget*..... 9
 - 2.4.5. *Scope of work* 9
 - 2.4.6. *The Gymnasium and supporting infrastructure:* 9
 - 2.4.7. *The Club House and Cultural Hut* 10
 - 2.4.8. *Bank’s Rights after the proponent’s take-over*..... 10

2.4.9.	<i>Contract Duration</i>	10
2.4.10.	<i>Submission Requirements</i>	10
3.	<i>Business Requirements Section</i>	11
3.1.	<i>Requirements and Project Scope</i>	11
3.1.1	<i>Background</i>	12
3.1.2	<i>Operating Objectives</i>	12
3.1.3	<i>Ownership of Revenues from Operating the Centre</i>	12
3.1.4	<i>Costs of Operating the Centre</i>	13
3.1.5	<i>Relationship between the Managing Agent and the Bank</i>	13
3.1.6	<i>Powers of the Bank</i>	13
3.1.7	<i>Powers of the Managing Agent</i>	13
3.1.8	<i>Indemnity of the Bank</i>	13
3.2.	<i>Performance Contract</i>	13
3.3.	<i>Management Fees</i>	14
3.4.	<i>Assumptions</i>	14
3.5.	<i>Evaluation Criteria</i>	14
3.5.1.	<i>Mandatory Criteria</i>	14
3.5.2.	<i>Desirable Criteria</i>	14
4.	<i>Appendix A: Evaluation Criteria Model</i>	15
4.1.	<i>Mandatory documents evaluation Criteria</i>	15
4.2.	<i>Submissions evaluation Criteria</i>	16
4.3.	<i>Pitch evaluation Criteria</i>	17
4.4.	<i>Financial evaluation Criteria</i>	17

1. Executive Summary

The Lehakoe Recreation and Cultural Centre (LRCC or the Centre) was established by the Central Bank of Lesotho (the Bank) with the intention to have a recreational facility for the Bank's employees. The Bank further recognised the need to allow access to members of the public at determined fees based on the normal market prices.

Initially, the Bank engaged a Facilities Management Company to operate and manage the Centre under a management contract. When that management arrangement ended, the Bank took over the administration of the Centre under the leadership of an appointed General Manager. The Lehakoe Recreation & Cultural Centre is a business entity which differs greatly with the regular central banking business. As a result, the Bank has decided to seek the services of experienced service providers to undertake management of the Centre under a Management Contract arrangement and agreement.

The proponents to this Request for Proposal (RFP) should note that Bank does not intend to sell the facility. Its intention is to retain ownership of the facility while the service provider shall render the facility management services to continue it as a world class sporting, conferencing and recreational facility.

The proponents may submit tenders for the management of the entire facility (the Gym and the Club House) or any of the two components running separately.

The Centre consists of the following:

1.1. Sports Centre

The sports Centre consists of the gymnasium area, aerobics hall, two saunas, two squash courts, one indoor swimming pool, two tennis courts, a basketball court, a volley ball court, a netball court and a multipurpose hall.

1.2. Clubhouse

The club house consists of various types of meeting rooms, three bars, TV room, library and the executive lounge.

1.3. Cafeteria

The cafeteria consists of a kitchen and two dining rooms.

1.4. Cultural Hut

The Centre also has a Cultural Hut for the display of cultural artefacts.

The Central Bank of Lesotho therefore invites tenders from qualified and experienced companies or body corporates for the management of the Centre under a Management Contract on a service for fee basis for a five (5) year renewable contract, the terms and conditions of which shall be stipulated in the contract of engagement to be entered into with the successful proponent.

In order to ensure completeness and consistency of responses, proponents are requested to prepare their proposals strictly in accordance with the format provided in **Section 2.3** (Proposal preparation) below.

2. Administrative Requirements Section

The terms below will apply to this Request for Proposal (RFP) and to any subsequent contract. Submission of a proposal in response to this RFP indicates acceptance of all of the listed terms.

2.1. Request for Proposal Information

2.1.1 Terminology for this RFP

Throughout this RFP, the terminology is used as follows:

“Bank” means the Central Bank of Lesotho;

“Contract” means the written agreement resulting from this RFP executed by the Bank and the Contractor;

“Contractor / Managing Agent” means the successful individual or body corporate to this RFP who enters into a written contract with the Bank;

“LRCC” Lehakoe Recreation & Cultural Centre;

“CBL” means Central Bank of Lesotho;

“Must”, or **“Mandatory”** means a requirement that failure to meet shall result in disqualification;

“Project” means nature of work required in this RFP by the Bank, as outlined in the “3 Business Requirements Section” below.

“Proponent” means an individual or body corporate that submits a proposal in response to this RFP;

“Should” or **“Desirable”** means a requirement having a significant degree of importance to the objectives of the RFP.

“Tender Committee” means the Central Bank of Lesotho Tender Committee established by the Bank to issue, receive and assess tenders and recommend selection of successful proponents for the procurement of goods and services.

“Non-personnel costs” shall mean all operating costs of the Centre excluding costs related to staff employed at the Centre such as salaries, wages, bonus payments, pension, gratuity, severance pay, overtime pay, allowances, medical aid pay, travel allowance, and any other pay going directly to staff employed at the Centre.

“Operating Costs” shall mean all costs incurred by the Managing Agent while operating the Centre.

“Personnel costs” shall mean costs related to staff employed at the Centre such as salaries, wages, bonus payments, pension, gratuity, severance pay, overtime pay, allowance, medical aid, travel allowance, and any other payments going directly to staff

2.1.2 Submission Time-Frame

All proposals must be delivered by no later than **Friday 08th June 2018 at 14h30**. Proposals shall be opened on the same day at 14:30hrs in the presence of bidders who choose to attend. Late proposals shall not be considered.

This date shall not be extended, except at the discretion of the Bank.

2.1.3 Contact Persons

Enquiries arising from this RFP should be directed, in writing, to:

Name: Mrs Matsepo Lechela
Title: Secretary, Tender Committee
Tel: (+266) 22232126
Fax:(+266)22310051
E-mail:*mlechela@centralbank.org.ls*

2.1.4 Reference Material

Any required reference material will be provided upon request, if available.

2.2. Request for Proposal Process

2.3.1. Clarification

Any queries relating to this RFP must be addressed in writing to the relevant person designated in 2.1.3 above. Responses will be sent to the enquirer.

2.3.2. Eligibility

Proposals will not be evaluated if the proponent's current or past corporate or other interests may, in the Bank's opinion, give rise to a conflict of interest in connection with this exercise. Only proposals that comply with all the requirements of this RFP will be considered.

2.3.3. Evaluation and Selection

Only proposals delivered and received properly as specified in 2.1.2 above will be checked first against the mandatory criteria. Any of them not meeting all the mandatory criteria will be rejected without further consideration.

Those that meet the mandatory criteria will then be assessed and scored against the desirable criteria. **The Bank is not bound to accept the lowest or any bid.**

2.3. Proposal Preparation

2.3.1. Proposal Format

Evaluation of proposals is made easier when proponents respond in a similar manner. The following format and sequence should be followed in order to provide consistency in proponent responses and ensure each proposal receives full consideration:

- a) One page letter of introduction identifying the proponent and signed by the person or persons authorized to sign on behalf of, and bind the proponent to statements made in the proposal.
- b) Title page, showing RFP number, proponent's name and address, proponent's telephone number, and a contact person.
- c) Table of contents including page numbers.
- d) A short summary of one or two pages stating the key features of the proposal.
- e) The body of the proposal to include the following elements:

2.3.2 Approach

The approach

- a) Should describe in detail how the proponent intends to manage the LRCC;
- b) Must provide a brief description of key activities, to be undertaken in the process of the continual management of the LRCC or any component thereof;
- c) Must identify how the proponent intends to perform internal controls/ quality assurance and risk management, in the running of the LRCC facility or any component thereof.
- d) Show clearly how the following issues shall be managed:-
 - Finances and projections including own financial capability.
 - IT systems and infrastructure
 - Maintenance of equipment and facility
 - Human resources management

2.3.3 Deliverables

Proponents must clearly state the deliverables to be produced e.g. plans, regular reports documentation (paper and/or electronic format), status reports, minutes of meetings, hardware & software, etc.

2.3.4 Proponent's Experience

- a) The Proponent should provide a brief summary of their suitability to undertake the management of LRCC, which outlines specifically their track record and experience, relevant to service of management of a club house and/or a gym;
- b) In case the activities shall be performed as a subcontract or a joint venture, this should be clearly indicated. The proponent should clearly show the suitability and experience and subcontractor's

track record and relevant to this project.

2.3.5 References

- a) Proposals should be accompanied by a minimum of two relevant project references preferably from previous implementation sites.
- b) A list of previous implementation sites and/or any existing site/s where a proponent has rendered/ran a similar service/s. Contact details should also be availed so that contact may be made during the selection process for this RFP.

2.3.6 Delivery of Proposals

Proposals must be prepared in two parts, and sealed separately, namely:

- a) The Technical proposal which shall not contain any financial information or rates pertaining to the services.

and
- b) The Financial proposal which should be self-addressed to facilitate return in case technical requirements are not met.
- c) In the event that proposals are dispatched by courier, proponents are expected to instruct their couriers to deposit proposals in the tender box.
- d) Facsimile or E-mail copies are not acceptable.

2.3.7 Technical Proposal

- a) Technical Proposals shall be deposited in the tender box at the reception area at the CBL building situated at Corner Moshoeshoe and Airport Roads Maseru, and should be marked **“TECHNICAL PROPOSAL FOR PROVISION OF MANAGEMENT CONTRACT FOR OPERATION OF LRCC”**

2.3.8 Financial proposal

- a) Financial proposal which should be self-addressed shall be deposited in the tender box at the reception area at the CBL building situated at Corner Moshoeshoe and Airport Roads Maseru, and should be marked **“FINANCIAL PROPOSAL FOR MANAGEMENT CONTRACT FOR OPERATION OF LRCC”**.
- b) The proponent should indicate the total cost to the Bank with detailed justification and include a schedule indicating the intervals in which payments must be made.
- c) Any additional information, brochures, etc., should take the form of appendices.

2.3.9 Costs of Responding

Proponents are solely responsible for their own costs in preparing the proposal and for subsequent negotiations with the Bank, if any. If the Bank elects to reject a proposal, the Bank will not be liable to any proponent for any claims in preparing the proposal whatsoever.

2.3.10 Proposal Validity & Firm Pricing

Proposals should be valid for at least 60 days after the closing date and prices are to be fixed for the entire contract period.

2.3.11 Currency and Taxes

Prices quoted are to be:

- a) Preferably in Maloti (LSL) or Rands (ZAR) (1 LSL = 1 ZAR). Inclusive of 15% Value Added Tax
- b) In accordance with applicable Lesotho laws (such as Withholding Tax)

2.3.12 Compliance to Tax Obligations

Certified copies of Lesotho Revenue Authority (LRA) Tax Clearance certificates or any other relevant authority certificates must be submitted together with the bid. Proponents should also note that there may be other laws, such as Withholding Tax, that may be applicable when rendering service in Lesotho. It is the proponent's responsibility to seek understanding of these laws.

2.4. Additional Information

2.4.1 Modification of Terms

The Bank reserves the right to modify the terms of this RFP at any time in its sole discretion. This includes the right to cancel this RFP prior to entering into a contract with the successful proponent.

2.4.2 Ownership of Proposals

All proposals, including supporting documents, submitted to the Bank become the property of the Bank.

2.4.3 Confidentiality of Information

All proposals submitted by proponents shall be held in strict confidence and will not be revealed to any other party.

All information pertaining to the Bank obtained by the proponent as a result of participation in this process is confidential and must not be disclosed without written authorization from the Bank.

2.4.4 Project Budget

The Bank has limited funds for management of the LRCC; hence the price will be among the key deciding factors in the evaluation of proposals.

2.4.5. Scope of work

The proponent may submit a proposal to run or manage the entire LRCC facility or for one of the following components:

- a) Gymnasium
- b) Club House (Club house & Cultural hut)

2.4.6. The Gymnasium and supporting infrastructure:

The Gymnasium component comprises:

- a) The outdoor courts
- b) Poolside hut,
- c) Multipurpose sports hall
- d) Indoor gym area

2.4.7. The Club House and Cultural Hut

The Club House and Cultural Hut comprise:

- a) Club house – this area can be used for recreational activities and conferences
- b) Cultural Hut – this area can be used for the display and sales of the cultural artefacts.

2.4.8. Bank's Rights after the proponent's take-over

- a) The Bank will have the right to inspect and institute hygienic and health inspections by itself or by other bodies;
- b) The Bank will have the right to be consulted and to give approval or otherwise, in the event that the successful bidder requires to introduce any structural and functional / operational changes.

2.4.9. Contract Duration

The successful proponent shall have a contract for the management of the Centre for the duration to be prescribed under the contract of terms and conditions of engagement.

2.4.10. Submission Requirements

- a) Covering Letter
- b) A comprehensive business plan for the management of LRCC comprising the following:-
 - The introduction _ showing Methodology/approach on how the operationalization and management of the Gym and / or Club house & Cultural Hut shall be carried out.
 - Bidder's capabilities –experience – the proponent should show relevant qualifications of key/lead managers and directors
 - Financial capability – proof of financial soundness through the presentation of annual financial statements for the last two years
 - Proposed team members and their responsibilities
 - Human resources management
 - IT infrastructure and systems
 - Internal operational controls framework
 - Maintenance plan for equipment and the facility.
 - Financial management and projections
 - A minimum of two references

- c) Certified copies of certificates or licences of registered companies/body corporates
- d) Proof of compliance to tax obligations.

3. Business Requirements Section

3.1. Requirements and Project Scope

3.1.1 Background

The Lehakoe Recreation and Cultural Centre is a facility that was constructed by the Central Bank of Lesotho to provide recreational facilities and a cafeteria for the staff of the Bank while at the same time availing its services to other members of the community at determined market related fees. The centre was initially intended to serve as a sporting facility, but later converted to give additional conferencing services.

The LRCC has state of the art gymnasium equipment; it also has an outdoor and indoor sports facility, including one heated indoor swimming pool.

The facility comprises of the following components:

- a) Gymnasium,
- b) Sports Hall (indoor games hall),
- c) The outside sports area and pool house,
- d) Club house and cafeteria (furnished and equipped);
- e) Cultural Centre.

The Bank is looking for a private operator to run and manage the facility for and on its behalf, under the oversight of the Bank. For clarity and avoidance of doubt, the Bank does not intend to sell the property.

The successful proponent shall continue to use facility with the available equipment and furniture under the terms and condition of the engagement contract.

3.1.2 Operating Objectives

In order to give additional guidance to the Managing Agent the Bank has formulated three objectives for operating the Centre. The Managing Agent shall operate the Centre with a view to achieving the following objectives (in the stated order of priority):

- a) to generate sufficient revenues to cover the operating costs of the Centre;
- b) to maintain the Centre's buildings, facilities, equipment, and other assets in sound, clean and safe working conditions for use by the Bank staff and the public;
- c) to uphold and observe the standards of good governance and corporate social responsibility, consistent with the Bank's image locally and internationally.

3.1.3 Ownership of Revenues from Operating the Centre

All revenues accruing as a result of operating the Centre belong to the Bank.

3.1.4 Costs of Operating the Centre

All costs (non-personnel and personnel) shall be for account of the Bank

3.1.5 Relationship between the Managing Agent and the Bank

The Managing Agent shall be accountable to the Bank

3.1.6 Powers of the Bank

- a) The Bank shall have the power to appoint, renew, or terminate the contract of the Managing Agent.
- b) The Bank shall have the power to lay down terms and conditions of appointment of the Managing Agent.
- c) The Bank shall have the power to formulate and adopt policies governing the operations of the Centre.
- d) The Bank shall have the power to audit any aspect of the operations of the Centre. In doing so the Bank may or may not give prior notice to the Managing Agent.

3.1.7 Powers of the Managing Agent

For purposes of achieving the operating objectives of the Centre stipulated under 3.1.2 above, the Managing Agent shall, in consultation with the Bank, have the power to:

- a) create positions, appoint or remove officers from the positions, and generally determine the terms and conditions of employment of the officers of the Centre;
- b) enter into contracts, negotiate contracts, or enter into any arrangement for purposes of procuring goods or services required in operating the Centre;
- c) formulate own procurement procedures.

3.1.8 Indemnity of the Bank

The Bank shall be indemnified of any liability whatsoever arising from any contract, be it an employment contract or a contract for purposes of procuring goods or services, between the Managing Agent and any other person.

3.2. Performance Contract

Prior to assuming his duties, the Managing Agent shall sign a performance contract stipulating the performance criteria, method of assessment and remuneration that will be commensurate with the level of attainment of specified performance criteria.

3.3. Management Fees

In return for the services rendered on behalf of the Bank, the Managing Agent shall be paid Management Fees.

3.4. Assumptions

The responsible bidder shall take responsibility of the following:

Familiarisation and adherence to relevant laws of Lesotho.

- a) Acquisition of trading/relevant licences.
- b) Acquisition of working permits for key personnel in case the proponent is a foreign national.
- c) Both paper and electronic copies of the deliverables including hardware deliverables will be submitted to the Bank and retained by the same as required.
- d) The Bank will ensure that required information is provided, if available, upon request by the proponent and will execute its obligations to the project in a timely manner.
- e) The proponent shall be responsible for the identification and engagement of own human resources.

3.5. Evaluation Criteria

The following criteria will form the basis upon which the evaluation of the proposals will be made and scores assigned. Proposals not meeting Mandatory requirements will receive no further consideration during the evaluation process.

3.5.1. Mandatory Criteria

- a) One original hard copy of the proposal must be received on time and be deposited in the tender box
- b) Certified copies of valid trader license / registration certificate, valid Tax Clearance Certificate, signed letter of introduction and separated Technical & Financial proposals.
- c) Attendance of the mandatory site visit and briefing session to be held on **Wednesday 23rd May 2018 at 11h30 CAT at the Central Bank of Lesotho.**

3.5.2. Desirable Criteria

Proposals meeting the Mandatory criteria above will be further evaluated as follows:

- a) Methodology/approach for operationalization and management of the LRCC as required
- b) Inclusion a comprehensive business plan
- c) Financial statements for the past two years, financial

proposals& projections for LRCC for the first two years

- d) Inclusion of lead/key director qualifications and relevant experience
- e) Human resources scheduling, responsibilities and management, quality assurance, internal controls and risk management strategy
- f) Information communication & technology infrastructure and systems

4. Appendix A: Evaluation Criteria Model

The evaluation criteria model outlined in Appendix A below will form a basis to score Proponents

4.1. Mandatory documents evaluation Criteria

REQUIREMENT	YES	NO	REMARKS
One original hard copy of the RFP			
Certified copy of a valid traders license / registration certificate			
Certified copy of a valid tax clearance certificate			
Signed letter of introduction			
Technical and Financial proposals separated (The Technical proposal shall not contain any financial information or rates pertaining to the services)			
Attendance of the mandatory site visit on Wednesday 23rd May 2018			

(Proponents missing any of the above will not be considered for the next stage of evaluation.)

4.2. Submissions evaluation Criteria

4.2.1. DESIRABLECRITERIA	Score
A) Approach	
1. Ability to raise sufficient revenues to cover operating costs, demonstrated by years of experience in running a facility similar to Lehakoe. Financial management and projections	10
2. Competitiveness of Management fees	15
3. The introduction - showing methodology/approach on how the operationalization and management of the Gym and / or Club house & Cultural Hut shall be carried out.	5
4. Bidder's capabilities - experience – the proponent should show relevant qualifications of key/lead managers and directors and relevant experience	10
5. Financial capability - proof of financial soundness through the presentation of annual financial statements for the last two years, financial proposals & projections for LRCC for the first two (2) years.	5
6. Balance of skills base for sound operations of facilities	10
7. Domestic operation - Ability to use as much as possible domestic personnel and other resources	5
8. Internal operational controls framework	5
9. A minimum of two site references with contact details	5
Total	70

(To qualify for pitch evaluation the proponents should score a minimum score of 75% under submission evaluation.)

4.3. Pitch evaluation Criteria

Evaluation Area	Allocated score
Clarity of the presenter and ability to answer questions appropriately	10
Demonstrated knowledge and understanding of CBL requirement	10
Consistency of the RFP and the presentation (pitch)	10
Total	30

(To qualify for financial evaluation the proponents should score a total weighted score of 75% under both submission evaluation and pitch.)

4.4. Financial evaluation Criteria

For proposals that have scored 75% and above, their financial proposals shall be opened and evaluated based on pricing for the exercise. The lowest proposal shall be selected for award.