

**CONTRACT LHDA NO. 2190:  
SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF 'MUELA RESERVOIR  
SEDIMENT DREDGING SYSTEM**

**A. 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 Government 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 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.

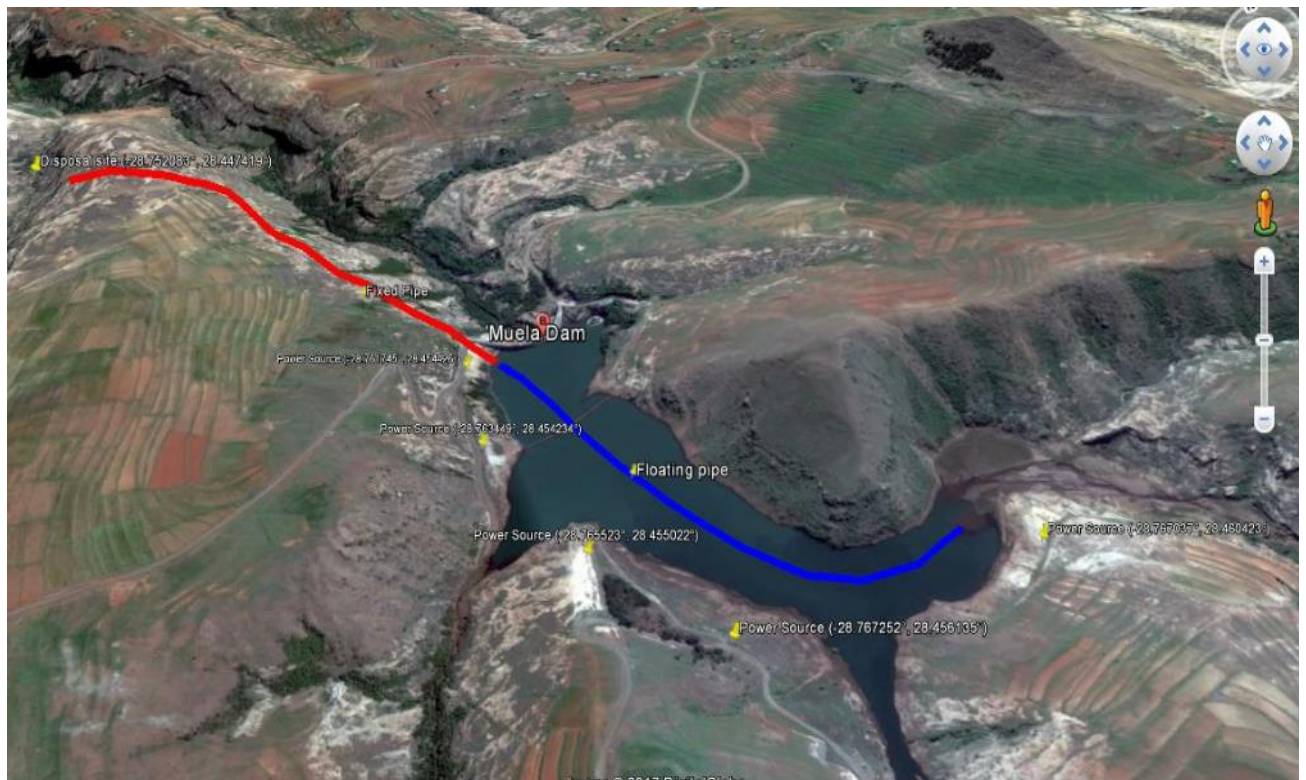
Phase 1A of the LHWP comprised the construction of Katse dam, from which water is transferred under gravity via concrete line transfer tunnel to the 'Muela hydro power station, from which the water discharges into the 'Muela dam. The water is then delivered through the delivery tunnel into the Ash river, north of Clarens in South Africa. Phase IB comprised the construction of Mohale dam and a concrete lined gravity tunnel connecting Mohale reservoir with Katse reservoir. An additional component of Phase 1B was the 19m high Matsoku diversion weir and interconnecting tunnel to transfer water from the Matsoku valley to the Katse reservoir.

The water transfer component of Phase II will comprise a concrete face rockfill dam at Polihali (near Mokhotlong) downstream of the confluence of the Khubelu and Senqu (Orange) rivers and a gravity tunnel that will connect Polihali and Katse reservoirs. Other Phase II activities include establishment of Advance Infrastructure (roads, camps, power and telecommunication lines, etc.), Feeder roads and implementation of environmental and social mitigating measures. The second Phase will also include construction of a hydroelectric generation plant which is still undergoing feasibility studies.

The Lesotho Highlands Development Authority is the implementing agency of the LHWP. It also operates and maintain the above mentioned infrastructure on behalf of the two governments. 'Muela dam serves as a tailpond for the 'Muela hydropower station that generates electricity for Lesotho. The dam is situated in the Nqoe catchment that is characterized by eroded landscape sediment of which ends up in the reservoir.

Sediment surveys have been undertaken ever since impounding of 'Muela reservoir to monitor trends to inform management actions to ensure that the dam and ancillary structures maintain their design life span. Surveys have indicated an increase in the reservoir sedimentation. A total of 0.6MCM of sediment has so far accumulated in the reservoir which constitutes 10% of the total volume of 6MCM. A decision has been to remove the sediment from the reservoir since it is threatening proper operations of the reservoir with regard to power generation and release of water downstream of the dam.

Diagram 1 below shows a layout of 'Muela Reservoir, sediment disposal site and possible locations of electricity supply sources.



## B. Project Description

The main objective of the assignment is to design, supply and install dredging equipment to remove accumulated sediment in the 'Muela reservoir with an option to operate and maintain the system for six to twelve months with an intention that the LHDA takeover the system thereafter.

## C. Scope of Work

1. The scope of the contract is to:

(a) Design the dredging equipment for removing sediment from 'Muela Reservoir which is composed of mainly silt and sand that meet the following minimum requirements:

- |   |                       |
|---|-----------------------|
| a. Throughput equal or greater than                       | 100m <sup>3</sup> /hr |
| b. Minimal Water: Sediment mix ratio in volume            | 60:40                 |
| c. Elevation of sediment at the deepest point below water | 1730masl              |
| d. Operating head to the disposal site                    | 65m                   |
| e. Normal reservoir operating water level                 | 1760masl              |
| f. Maximum reservoir operating water level                | 1776masl              |

- g. Electricity supply: Commercial power which is available nearby is preferred to avoid fuel contaminating to water body.  
Maximum power cable length 250m
- h. Longest distance to the sediment disposal site 2000m

- (b) Supply, install and commission the dredging equipment at site
- (c) Provide an option to operate and maintain the system for six to twelve months
- (d) Provide operations and maintenance training of the dredging equipment to LHDA employees to enable them to takeover operations and maintenance after handing over.

### **Contractor's Experience**

Below is a brief description of the desired levels of experience of the Contractor. An evaluation of the Contractor will be based on these requirements.

#### **1) Experience:**

Proven experience in the development, supply, installation, operation and maintenance of the dredging equipment proposed for the 'Muela reservoir.

### **D. Submission of EOIs**

The Lesotho Highlands Development Authority (LHDA) now invites eligible contractors to indicate their interest in providing the services for Contract LHDA No.: 2190.

Expressions of Interest must be submitted in English and in written form to the address below (in person, by mail/courier, or by email) by the 09<sup>th</sup> February, 2018 at 14:00 (Lesotho Standard Time) and should be clearly marked "**Expression of Interest for the SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF 'MUELA RESERVOIR SEDIMENT DREDGING SYSTEM', 'Contract LHDA No.:2190'**".

There will be a compulsory site visit to 'Muela Dam on the 17<sup>th</sup> January, 2018 starting at 10:00 from 'Muela Hydropower Station at no cost to LHDA.

Interested contractors may also obtain further information at the address below from 09:00 to 15:00 (Lesotho Standard Time) on normal working days no later than fourteen (14) calendar days before the deadline.

**Address for information/clarifications on the Expressions of Interest:**

Email: [procurement@lhda.org.ls](mailto:procurement@lhda.org.ls)

**Address for Submission of Expressions of Interest:**

Lesotho Highlands Development Authority  
LHDA Tower Building (formerly Lesotho Bank Tower)  
7<sup>th</sup> Floor  
Kingsway Road  
Maseru, Lesotho

E-mail: [procurement@lhda.org.ls](mailto:procurement@lhda.org.ls)

**E. Joint Venture Agreements**

Applicable for this Expression of Interest (EOI).

**F. Contents of Expression of Interest (EOI) Submission**

- a. **Covering Letter** indicating the nationality, legal status, and principal place of business. Covering letter shall also include acknowledgement of the Lesotho Highlands Water Project's Anti-Corruption Policy (included as an annex hereto).
- b. **Expression of Interest Details** (Attachment 1) – Completed Expression of Interest details as per the instructions provided.
- c. **Specific Experience Details** (Attachment 2) – Completed Specific Experience details as per the instructions provided.
- d. **Certified copies of company registration certificates.**
- e. **Certified copies of tax clearance certificate(s)**
- f. **Latest financial statements (latest audited financial statements will be required for shortlisted Contractors)**

**G. Evaluation Criteria and Shortlisting**

A numerical assessment of each; timely and correctly submitted EOI will be performed against the Evaluation Criteria included in Table 1, below. Only information provided in the EOI submission will be considered in the evaluation.

**Table 1: Evaluation Criteria**

<p>1. Project Approach</p> <ul style="list-style-type: none"> <li>• Contractor’s understanding of the scope of the assignment and the work to be performed using <b>Attachment 1: Project Approach. (15 points)</b></li> <li>• Description and suitability of the equipment to be used for ‘Muela reservoir dredging. Provide indication of how the equipment will be operated as a whole <b>(30 points)</b></li> <li>• Financial ability to undertake the services to be provided. Latest financial statements are required <b>(5 points)</b>(Audited Financial statement shall be required for shortlisted contractors)</li> </ul>	<p>50 points</p>
<p>2. Specific experience for the assignment using <b>Attachment 2: Details of Specific Experience.</b></p> <ul style="list-style-type: none"> <li>• List and value of a minimum of two (2) under development or successfully commissioned services for the development and installation of reservoir dredging systems. Provide location and description of project(s) currently operational which LHDA can visit to validate the suitability of the equipment vis a vis LHDA requirements. SADC location and experience will be preferred <b>(30 points)</b></li> <li>• Provide experience in operations and maintenance of dredging equipment projects of similar complexity and magnitude in the past 10 years <b>(20 points)</b></li> </ul>	<p>50 points</p>
<p><b>TOTAL</b></p>	<p><b>100</b></p>

Contractor’s whose expressions of Interest meets a minimum score of 70 points will be shortlisted. The shortlisted contractors will be notified and required to make presentation of their proposal/solution to the LHDA. The LHDA will also undertake a site visit to the commissioned and still operational facility similar to the proposed system for ‘Muela to finalise the shortlisting selection.

The final shortlisted contractors will be provided with a bid document for submission of a full proposals, using one envelope containing the Technical, Management and Financial Proposal.

Award of contract(s) is subject to the prior further evaluation of the summited bids, approval of the LHDA and the Lesotho Highlands Water Commission.

LHDA reserves the right to accept or reject all or any application, or to annul the expressions of interest at any time without incurring any liability to any applicant.

## **H. Disqualifications**

- i. Any Expression of Interest received after the deadline will automatically be rejected even if the postmark indicates a date preceding the deadline or if the delay is due to the mail service.
- ii. Failure to attend compulsory site visit will result in disqualification.
- iii. Failure to comply with the requirements of the LHWP Anti-Corruption Policy will be rejected and/or disqualified in accordance with the provisions of the policy.

## **Attachment 1: PROJECT APPROACH**

Attachment 1 must follow the structure below.

### **1. Scope**

- An outline indicating the Contractor's understanding of the scope of the assignment.

### **2. Project Approach/Methodology**

- Description of the work to be performed by the Contractor.

### **3. Ability to undertake the works**

- Financial ability to undertake the services to be provided, provide latest financial statements

**Attachment 2: DETAILS OF SPECIFIC EXPERIENCE**

Details of specific experience must follow the structure included in Table 2 below. Use additional copies of the table as required.

**Table 2: Details of Specific Experience**

1. Project name and location (City/Town, Country): (2 points)	
2. Project Description: (10 points) <i>scale, nature and similarity to scope - Pure description</i>	
3. Description of Contractor’s responsibility on the project: (10 points)	
4. Contractor should state whether the work was performed as, an independent Contractor, JV, or a sub-contractor on the project): (info)	
5. Project Owner’s Name & Address and Project Owner Manager’s Name & Phone Number and Contactable details: (info)	
6. Value of the services provided by the Contractor	_____
Contract Currency (8 points) <i>average value of relevant projects</i>	_____
7. Actual/Anticipated Implementation Start Date	_____
8. Actual/Anticipated Implementation Completion Date	_____
9. Actual/Estimated Value of Project at Completion	_____
Contract Currency	_____
10. Operations and Maintenance experience (20 points) duration	

## **I. LHWP Anti-Corruption Policy**

The LHDA is committed to the LHWP Anti-Corruption Policy. The provisions of the Policy (see Annexure 1) will be incorporated in the Contract and all contractors shall be subject to it.

### **Annexure 1**

#### Adopted by the Lesotho Highlands Water Commission on ... October 2011

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.

#### 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 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 ethics.
7. The Project Authority shall take all appropriate measures to combat corruption in all its forms.
8. 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:

9. The provisions of this Policy shall apply to all contracts and related processes with contractors, consultants and suppliers involved in the Project, including the pre-qualification of tenderers (where applicable), the evaluation of tenders and the award of contracts.
10. Henceforth every contract entered into under the Project shall provide for the incorporation of this Policy into such contract.
11. The provisions of this Policy shall apply to the employment and the conduct of employees of the Project Authority.
12. The provisions of this Policy shall apply to recipients of compensation in terms of the Project.
13. For the purposes of this Policy corruption shall include the following:
  - 13.1. 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.

- 13.2. 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.
- 13.3. 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.
- 13.4. 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.
- 13.5. An “obstructive practice”, such being:
  - 13.5.1. the destroying, falsifying, altering or concealing of evidential material relevant to an investigation, as referred to in paragraphs 25 and 26 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
  - 13.5.2. acts intended to materially impede the exercise of the Project Authority’s right to access to information, as referred to in paragraphs 25 and 26 hereunder.

Participation in Contracts:

14. 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.

15. Any contract awarded in relation to the Project will commit the contractor, consultant or individual concerned not to involve itself or himself 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.
16. The Project Authority in dealing with the pre-qualification of tenderers, the evaluation of 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.

Specific Obligations of Prospective Contractors and Consultants:

17. Every prospective contractor or consultant shall at the earliest opportunity in the 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 tendering process disclose to the Project Authority any conflict or potential conflict of interest, 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. 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:

23. 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.
24. 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.

Investigation and Access to Information:

25. 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.

26. The entity or person referred to in paragraph 25 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.

27. The investigation referred to in paragraphs 25 and 26 shall be conducted by independent investigators appointed by the LHDA Board or the LHWC.