

Central Bank of Lesotho



REQUEST FOR PROPOSAL (RFP)

RFP TITLE:
**REQUEST FOR PROVISION OF AUDIT SERVICES FOR
PAYMENTS OF LESOTHO ASSOCIATION (PAL) ACCOUNT**

RFP No:
CBL/FNC/TC /8/04/2021

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1. INTRODUCTION

The Central Bank of Lesotho in consultation with the commercial banks and other stakeholders embarked on the National payment systems modernization process in 1999. The vision statement of Lesotho National Payment System (LNPS) modernization project is that Lesotho shall have a widely accessible, secure, reliable and efficient payment and settlement system. The system shall facilitate and support Lesotho's development objectives

Thus far, the process led to the implementation of the Real Time Gross Settlement (RTGS) system, establishment of Payment Association of Lesotho (PAL) on the 2nd March 2009 through PAL Articles of Association, the enactment of the Payments Systems Act 2014 and the establishment of a domestic Lesotho automated Clearing House (LACH). The LACH currently hosts two payments clearing houses; the Electronic Funds Transfer (EFT) clearing house and Maseru Image Automated clearing house (MIACH). Establishment of Payment Association of Lesotho (PAL), was a fulfilment of section 6 of National Payments System Act of 2014, which provides establishment of Payment System Management Body (PMB). This body has dual mandate, which entails coordination and serving interests of members as well as oversight and regulation of identified retail instruments. Establishment of Payment Association of Lesotho (PAL) led to opening of an account with First National Bank (FNB) Lesotho in 2009. This account is used for safekeeping of subscription and membership fees, which are used to cover capital and recurrent costs of the PAL.

The Central Bank of Lesotho, on behalf of members, therefore invites proposals from suitably qualified and independent service providers registered with Lesotho Institute of Accountants who can provide appropriate external audit services in compliance with International Standards on Auditing. The contract will be for an initial period of three (3) years, renewable annually upon satisfactory performance.

2. TERMINOLOGY FOR THIS RFP

Throughout this RFP, the terminology is used as follows:

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

“Consultant” or **“Service Provider”** means the successful Proponent to this RFP who shall enter into a written Contract with the Bank;

“IT means” means Information Technology

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

“The Bank” or **“CBL”** means the Central Bank of Lesotho.

3. MANDATORY ELIGIBILITY REQUIREMENTS

3.1. Only Service providers registered with Lesotho Institute of Accountants (LIA) are eligible to participate in this tender.

3.2. International Firms/ Service providers considering tendering without partnering with the local firm must familiarize themselves and ensure full compliance with the requirements of LIA.

- 3.3. The local firm must be a single legal entity and must disclose any partnerships or joint ventures entered into for purposes of this tender;
- 3.4. The Bank shall enter into a single contract with a single entity for the performance of the audit;

4. SCOPE OF WORK AND TERMS OF REFERENCE

The Service Provider shall be expected to undertake the following specific activities: -

- 4.1. Perform audit on PAL account held with First National Bank (FNB) Lesotho from inception (2009) to date in conformity with International Auditing Standards;
- 4.2. Identify and assess the risks of material misstatement of the account statements, whether due to fraud or error;
- 4.3. Assess material account misstatements due to fraud or error and provide a report on fraud or error findings;
- 4.4. Highlight areas where controls were found to be inadequate and ineffective in the audit Report;
- 4.5. Assess whether the account statements represent the underlying transactions and events in a manner that achieves fair presentation;

5. KEY DELIVARABLES AND DEADLINES

5.1 Key Deliverables

The key deliverables under this assignment are as follows:

5.1.1 Presentation of the Audit Plan to the Payment Association of Lesotho, highlighting, but not limited to the following: -

5.1.1.1 Significant risks of material misstatements in the account Statements and fraud considerations;

5.1.1.2 Assessment of compliance with key regulatory requirements;

5.1.2 Management Report;

5.1.3 Audited Account Statements within agreed deadline;

5.2 Key Deadlines

The financial year for the Bank ends on 31 December and PAL financial year is aligned with the Banks Financial year.

6. PROPOSAL PREPARATION (Proposal Format)

6.1. Technical Proposal

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 to ensure that each proposal receives full consideration:

a) Proposed Audit Approach

Proponents are requested to propose in detail how they intend to meet the requirements of the assignment as outlined on the Terms of reference or scope of work, to achieve the stated deliverables and within the key deadlines.

b) Proponent Experience

A Proponent should provide a brief summary of suitability which outlines specifically the proponent's track record and nature of assignments relevant to

this project; Where activities were performed as a subcontract or a joint venture, this should be clearly indicated, stating extent of involvement as well as the subcontractor's track record and experience relevant to this project;

A list of previous implementation sites and / or any existing site/s comparable to the Bank where a proponent has rendered / ran a similar service (s) of similar magnitude. Contact details should also be availed so that contact may be made during the selection process for this RFP;

Proposals should be accompanied by a minimum of three (3) relevant project reference letters preferably from previous implementation sites, comparable to the Bank in the last three (3) years.

c) Managerial Team and Key Personnel Qualifications and Experience

A profile of all managerial team members and key personnel should be provided. The resume of each member should clearly show the following:

- Name, Age, Nationality and Position in the Team;
- Educational Qualifications;
- Professional Qualifications (professional registration, societies, honours, publications etc.);
- Relevant experience (actual duties performed and degrees of responsibility held must be indicated) including locations, dates and duration of assignments, starting with the latest.

d) A Statement on Professional Indemnity Insurance

The proponents shall state in their proposals the current levels of professional indemnity insurance and when required, provide evidence thereof.

6.2 FINANCIAL PROPOSAL

The financial proposals shall be invited at the later stage from only proponents that have satisfactorily met the technical requirements.

6.3 Mandatory documents (required as part of the proposal):

The proponents should have the following documents as attachments to their proposals:

Requirement	Supported by:
a) Trading compliance	Valid copy of the trader's license or company registration certificate issued by each proponent's inland registrar of companies
b) Tax Compliance	Valid copy of the tax clearance certificate or Tax Compliance Certificate issued by each proponent's Inland tax authority. E.g SARS or LRA
c) Financial Capability	Attach Recent financial statement of the bidder duly signed by an Audit Firm or practicing Chartered Accountant for the past two years
d) LIA Registration	Certified at source LIA practicing Certificate
e) Letter of Introduction	One-page letter of introduction identifying the proponent (proponent's name and physical address together with contact details; contact person, telephone number and e-mail address) and signed by the person or persons authorized to sign on behalf of, and bind the proponent to statements made in the proposal

f) Shareholders/Directors undertaking and Identity	A statement signed and supported with certified copies of Identity Documents of Directors/shareholders
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Proponents should provide actual documents in the manner requested. Provision of a Link or Website referring the Bank to access the documents shall not be accepted.

7. REQUEST FOR PROPOSAL PROCESS

7.1 Contact Persons

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

Name: Mrs. M. Lechela

Title: Secretary, Tender Committee

Tel: (266) 22232126

Fax: (266) 22310051

E-mail: mlechela@centralbank.org.ls

7.2 Clarification

Any queries relating to this RFP must be addressed in writing to the relevant person designated in 7.1 above. Responses will be sent to the enquirer and will also be posted on the website. The closing date for requests of clarifications is 29th October 2021.

7.3 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 project. Only proposals that comply with all the requirements of this RFP will be considered.

7.4 Delivery of Proposals

7.4.1 Technical proposal

- (a) Technical Proposals must be submitted electronically and provided as attachments to an email and should be emailed to mlechela@centralbank.org.ls. The subject of the email should read **"TEHKNICAL PROPOSAL FOR PROVISION OF PAL ACCOUNT AUDIT SERVICES"**

Proposals must be provided as a PDF attachment to the email. Only electronic proposals will be accepted.

7.4.2 Financial proposal

Financial proposal shall be invited only from proponents that have satisfactorily met the technical requirements of the Bank and have scored an overall of 80%.

7.5 DEADLINE FOR THE SUBMISSION OF TECHNICAL PROPOSALS

Proposals should be received on or before **Friday, 05th November 2021, 14:30hrs**. Proposals received after the above-specified date and time shall not be considered.

7.6 OPENING OF TECHNICAL PROPOSALS

Proposals shall be opened on the same day. As a health measure, no bidders will be allowed to attend the opening session. All proponents will be emailed the tender register.

7.7 EVALUATION OF TECHNICAL PROPOSALS

Proposals compliant with the requirements for submissions described above shall be evaluated. Technical evaluation shall involve both submission analysis and pitching evaluation.

8. EVALUATION CRITERIA

8.1 Mandatory evaluation criteria

Proponents will receive a Pass/Fail rating on the Mandatory Criteria, depending on the fulfillment of the requirements listed below. Proponents missing any of the requirements below will not be considered for the next stage of evaluation. The next stage is the technical evaluation.

REQUIREMENT	YES	NO	REMARKS
Valid copy of the trader's license or company registration certificate issued by each proponent's inland registrar of companies			
Valid copy of the tax clearance certificate or Tax Compliance Certificate issued by each proponent's Inland tax authority. E.g SARS or LRA			
Signed letter of introduction			
Availability of Recent financial statement of the bidder duly signed by an Audit Firm or practicing Chartered Accountant for the past two years			

Certified(at source) copy of a valid LIA practicing Certificate			
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8.2 TECHNICAL EVALUATION CRITERIA:

Technical evaluation shall comprise of technical proposal evaluation and the “pitch”.

8.2.1 Technical proposal evaluation criteria

Technical proposals will be opened and evaluated on the basis of the following criteria, scored as indicated:

Evaluation Area	
Scope	Marks per Category
8.1. Proposed Audit Approach	40
8.2. Proponent Experience	20
8.3. Managerial Team and Key Personnel Qualifications and Experience	10
8.4. Financial soundness of the proponent(demonstrated by unqualified financial report and no financial losses in the most recent financial years)	20
8.5. Professional Indemnity Insurance	10
Total	<u>100</u>

(To qualify for pitch evaluation the proponents should score a minimum score of 80% under technical proposal evaluation.)

8.2.2 Pitch evaluation criteria

The purpose of pitch session (oral presentation) is to validate the information provided by the proponent in their proposal and to test the proponent's understanding of the requirements as detailed in the RFP. The pitch is evaluated and it involves question and answer session. Only proponents that have scored the minimum score of 80% and above shall be invited for the pitch and shall be evaluated based on the criteria as follows:

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 80% under both submission evaluation and pitch.)

8.3 FINANCIAL EVALUATION CRITERIA

Financial proposals will be evaluated following completion of the technical evaluation and oral presentations. Proponents that have scored a combined weighted score of **80%** under technical evaluation will be invited to submit their financial proposals.

Financial proposals will be evaluated based on the predetermined criteria as below. Proponents will receive a Pass/Fail rating depending on the fulfillment of the requirements listed below. Proponents missing any of the requirements below shall be disqualified.

EVALUATION AREA	Yes	NO	REMARKS
Accuracy-100% accuracy			
Compliance- Full compliance to the requirements (taxes, all costs categories as per the RFFP			
Completeness- Complete financial proposal covering all the requirements			

8.6. SELECTION FOR AWARD (Least cost based selection)

The proposal that meets all the requirements under Technical and Financial evaluation and is found to be the lowest priced proposal shall be selected.

9. TERMS AND CONDITIONS OF THE RFP

9.1 PROPOSAL VALIDITY & FIRM PRICING

Proposals should be valid for at least 90 days after the closing date and prices are to be fixed for the entire contract period.

9.2 CURRENCY

All responses to this RFP should be expressed in LSL Loti or ZAR Rands.

Proposals in other currencies shall not be permitted.

9.3 TAXES

9.3.1 VALUE ADDED TAX (VAT)

Prices quoted are to be:

- (a) Inclusive of 15% Value Added Tax; and
- (b) In accordance to applicable Lesotho Tax laws.

9.3.2 WITHHOLDING TAXES

In effecting payment the applicable withholding taxes shall apply: 10% for foreign companies and 5% for local companies. Proponents that include an added amount to their proposed fee as the withholding tax shall be disqualified.

9.4 OWNERSHIP OF PROPOSALS

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

9.5 CONFIDENTIALITY OF INFORMATION

- a) All proposals submitted by proponents shall be held in strict confidence and will not be revealed to any other party.
- b) All Information pertaining to the Bank obtained by the Proponents as a result of participation in this project is confidential and must not be disclosed without written authorisation from the Bank.
- c) The successful proponent shall be required to:
 - Sign a confidentiality clause.

- Hand over all the design documentation raised over to CBL

9.6 AMENDMENT OF RFP DOCUMENT

At any time prior to the deadline for submission of responses, CBL, for any reason, whether at its own initiative or in response to a clarification requested by a prospective respondent, may modify the RFP documents by amendment.

All prospective respondents that have received the RFP documents will be notified of the amendment in writing, and such amendment will be binding on them. To allow prospective respondents reasonable time to take any amendments into account in preparing their responses, CBL may at its sole discretion extend the deadline for the submission of responses based on the nature of the amendments.

9.7 COSTS OF RESPONDING

Proponents are solely responsible for their own expenses incurred during the preparation of the proposal and for subsequent negotiations with the Bank including the “pitch” sessions.

No payment will be made for any costs incurred in the preparation or submission neither of proposals nor in the negotiations, preparation and signature of the contract or for any other work prior to the engagement date.

If the Bank rejects all or any proposal, it shall not be liable to any Proponent for any claims, whether for costs or damages incurred by the Proponent in preparing the proposal, loss of anticipated profit in connection with any final contract, or any other matter whatsoever.

9.8 BACKGROUND CHECK

The Bank reserves the right to check and verify the background of all or any persons (firms, directors, partners, technical staff, etc.) involved in the Bid and reserves the sole right to determine whether or not to accept or reject any such Bid on any grounds.

9.8 PERFORMANCE BOND

The Bank may require a performance bond of not less than 10% of the bid amount from the preferred proponent before entering into the contract.

9.9 HEALTH AND SAFETY

The Bank adheres to occupational health and safety requirements under the Lesotho Labour Code Order of 1992; ISO 45001 and other international best practices on OHS. As such, all its service providers shall also be required to comply with and adhere to the Bank's OHS policy.

9.10 LANGUAGE OF THE PROPOSAL

The proposal shall be written in the English Language. All correspondence and other documents pertaining to the proposal and its implementation shall also be in English.

9.11 JOINT VENTURE

If a bidding firm does not have all the expertise for the assignment, there is no objection to the firm associating with another firm to enable a full range of expertise to be presented. The joint venture shall be accompanied with full documented details of the proposed association.

In the case of a joint venture or association, all the firms constituting the joint venture or association will be jointly and severally liable and at least one firm,

preferably the lead entity in the joint venture or association shall be financially capable of meeting the contract requirements and potential liabilities on its own and shall assume contracting responsibility and liability for satisfactory execution of the assignment.

9.12 Withdrawal, Substitution and Modification of bids

Tenderers may modify or withdraw the tender prior to the submission deadline. The modification or notice of withdrawal shall be effective if it is received by the Bank prior to the Proposal Submission Deadline.

9.13 Acceptance and/or Rejection of Proposals

- a) The Bank is not bound to give reasons for declining any or all of the proposals.
- b) The Bank is neither bound to accept any of the proposals nor any financial proposal either it being the highest or the lowest.