

REQUEST FOR PROPOSALS

TO INVEST, OPERATE AND MANAGE
**LITHOLOANA TSA BASOTHO CANNERY
AND FRESH PRODUCE MARKET CENTRE**

LESOTHO NATIONAL DEVELOPMENT CORPORATION

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1. LNDC BACKGROUND

The Lesotho National Development Corporation (LNDC) has the core mandate to “initiate, promote and facilitate the development of manufacturing and processing industries, mining, and commerce in a manner calculated to raise the level of income and employment in Lesotho.” This mandate stems from the LNDC Act No. 20 of 1967, as amended by LNDC Act No. 13 of 1990 and LNDC Act No. 7 of 2000.

2. THE PROJECT

LNDC seeks to integrate Litholoana Tsa Basotho (the former Basotho Fruits and Vegetables Cannery) with the Maluti Fresh Produce Market through private-sector investment. This project is expected to enhance food processing, create jobs, and boost Lesotho’s agricultural sector by supporting local farmers and leveraging existing market structures.

A feasibility study and business plan have been completed, and **LNDC invites proposals from qualified domestic investors to invest, operate and/or manage the integrated Fresh Produce Market Centre and Cannery.**

3. OBJECTIVES OF THE PROJECT

The project aims to:

- Establish a sustainable and profitable fruit and vegetable processing facility.
- Create value addition for local agricultural produce.
- Enhance market access for local farmers and cooperatives.
- Facilitate regional and international exports of processed food products.
- Generate employment and contribute to economic development.

The following are the envisaged business activities of the integrated companies backed with full feasibility studies and business plan:

- a) Vegetables farming
 - b) Vegetables and Fruits processing
 - c) Vegetables and Fruits Canning
 - d) Contract Canning of vegetables and fruits for local processors
 - e) Sale and distribution of fresh produce to local and international markets
- Marketing and distribution to local and international markets

4. KEY PERFORMANCE INDICATORS (KPIs)

1. **Production Output:** Reach production of at least 1,500 tons of fruits and vegetables annually within the first three years.
2. **Job Creation:** Employ at least 100 workers within two years.
3. **Supply Chain Development:** Source at least 60% of raw materials from local farmers by year two.
4. **Revenue Growth:** Achieve a minimum of 15% annual revenue growth.
5. **Export Targets:** Secure export agreements with at least two regional or international markets within five years.

5. SELECTION CRITERIA

Proposals must demonstrate the ability to do one or more of the following:

- **Invest:** Provide evidence of funding capacity (minimum M5 million Maloti) through bank statements or financing letters.
- **Invest and Operate:** Provide evidence of funding and showcase experience in agribusiness, food processing, or supply chain management.
- **Invest and Manage:** Provide evidence of funding and demonstrate experience in implementing efficient processing systems and strategies for local and international market penetration.
- **Invest, Operate and Manage:** Provide evidence of funding and showcase experience in agribusiness, food processing, or supply chain management with demonstrable experience in implementing efficient processing systems and strategies for local and international market penetration.

6. EVALUATION CRITERIA

A weighted scoring system will be used:

Criteria	Weight	Excellent (5)	Good (4)	Satisfactory (3)	Needs Improvement (2)	Poor (1)
Financial Capability	20%	Clear proof of funding exceeding M5M, strong financials, and investment commitment.	Adequate proof of funding and financial stability.	Meets minimum funding requirement (M5M) with moderate financial risk.	Limited proof of funding, potential financial risks.	No clear evidence of financial capability
Operational Experience	20%	Extensive experience in agriculture/food processing with successful past projects.	Relevant experience with moderate project success.	Some experience but limited track record in large-scale operations.	Minimal relevant experience, limited project execution.	No relevant experience in agriculture or food processing
Local Sourcing Strategy	20%	Robust and benchmarked local sourcing strategy that will support domestic production of inputs for the facility	Robust local sourcing strategy that will support domestic production of inputs for the facility	Basic proposed local sourcing strategy that will support domestic production of inputs for the facility	Limited local sourcing strategy	No local sourcing strategy provided
Market Strategy	20%	Well-defined local/export market strategy with existing agreements and partnerships.	Strong strategy with some partnerships in place.	General market strategy with potential for development.	Limited market strategy, lacking clear execution plan.	No market strategy provided.

Sustainability & Compliance	10%	Comprehensive sustainability plan with clear environmental and social impact measures.	Moderate sustainability and compliance approach.	Basic compliance with some sustainability efforts.	Weak sustainability framework, limited compliance measures.	No sustainability or compliance considerations.
Innovation & Technology	10%	High-tech, automation-driven processes with efficiency improvements.	Moderate innovation with some automation and modern techniques.	Basic use of technology with potential improvements.	Limited technological integration, mostly manual processes.	No innovation or technology applied.

Total Score: /100

7. BIDDER REQUIREMENTS - Mandatory Documentation:

- Company profile.
- Certified copies of company registration certificates.
- Contactable details of at least three references.
- Valid tax clearance certificate.
- Certified copy of trader's license.
- Latest audited financial statements (balance sheet, income statement, and cash flow statement).
- Proof of past project implementation (if applicable).

8. INSTRUCTIONS TO BIDDERS

- **Physical Submissions:** Must be in a sealed envelope labelled "LNDC CANNERY AND FRESH PRODUCE INVESTMENT" and delivered to LNDC Reception, Level 1 Block A Development House, **by 12:00 PM on March 7th, 2025.**
- **Electronic Submissions:** Send proposals in PDF format to tenders@lndc.org.ls with the subject "**LNDC CANNERY AND FRESH PRODUCE INVESTMENT**" by 12:00 PM on **March 7th, 2025.**

Proposals will be opened on **March 7th, 2025, at 12:05 PM** in the Audio-Visual Room, Level 7. Attendance is encouraged but not mandatory.

A non-mandatory site visit to the facilities will take place on Friday 14th February at 9:00am and Friday 21st February at 9:00am.

9. PERFORMANCE MONITORING & REPORTING

Successful bidders must:

- Submit **quarterly progress reports** to LNDC detailing financial performance, production volumes, and supply chain activities.
- Allow LNDC to conduct periodic audits and site visits.
- Maintain compliance with environmental and labor laws.
- Meet all agreed KPIs within stipulated timelines.

10. NOTICE OF PRESENTATIONS

Shortlisted bidders will be invited for presentations as part of the evaluation process. Negotiations will follow for final selection. No commitments will be binding until a formal contract is signed.

Feasibility studies and business plans will be shared with shortlisted bidders upon signing a Non-Disclosure Agreement (NDA).

11. DISCLAIMER

LNDC reserves the right to accept or reject any proposal without obligation to disclose reasons. A debriefing meeting may be arranged upon request but is not automatic.

For any enquiries, contact: petlane@lndc.org.ls (Deadline for enquiries: February 25, 2025).

