REQUEST FOR PROPOSAL

MASERU PRIVATE HOSPITAL

(MPH)

DEBT COLLECTION SERVICES

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REQUEST FOR PROPOSALS
FOR
DEBT COLLECTION SERVICES

1. Background

Maseru Private Hospital was established in 1996 by a group of Basotho doctors as a facility at which patients who required healthcare that is above the local standards could be hospitalised. It later became the property of the Government of Lesotho through the Ministry of Finance, which engaged several management teams, most of which could not quite make it work. It has since been successfully managed by Excel Health (Pty) Ltd from September 2009 to-date.

The hospital provides services to all patients that are supported by **Medical-aid schemes**, **Institutional patients and Private (Cash) patients.** Over 100% of our patient admissions, the 75% is made out of Medical-aid schemes supported patients while 25% is constituted by Private and Institutional patients.

The hospital has no desire to extend the credit to Private patients and all efforts are made to ensure that all the respective bills are settled before such patients are released.

2. Purpose

The purpose of this **Request for Proposals (RFP)** is to solicit proposals from eligible bidders' firm or individual consultant to provide debt collection services for the collection of delinquent accounts.

3. Goals and Objectives

The Contractor shall provide collection services for delinquent accounts assigned to the Contractor by Finance Department. The Contractor also commences and prosecutes suits or other legal proceedings in the collection of such delinquent amounts at the expense of the Contractor.

4. MPH Credit Policy Model

4.1 Credit Operations (Section 4.4.1 of MPH Credit policy) ensures the following:

4.1.1 That each patient's file is complete and proper, and all information pertaining to each patient is contained in its respective file;

4.1.2 That each patient's account has been properly set up in the system, and all the necessary billing has been done and verified;

4.1.3 That the account of each patient is discharged and released accordingly in the system.

4.2 Credit Management (Section 4.4.2 of MPH Credit Policy)

4.2.1 Each debtor's account is classified and provisioned as per provisions of MPH Credit Policy as follows;

Excellent	0%	0 to 30 days arrears
Good	5%	31 to 90 days' arrears
Average	20%	91 to 180 days' arrears
Doubtful	50%	181 to 360 days' arrears
Bad	100%	361 days' and above arrears

4.3 Delinquency Management and Recovery System (Section 4.4.3 of MPH Credit Policy)

4.3.1 The following efforts shall be performed per month per each classification:

- **Good Account**: A documented telephone reminder shall be made to each debtor, showing the date, time, contact person, and what was agreed upon. The next time a moderate letter of reminder shall be issued;

- **Average Account**: A moderate letter of reminder requesting the debtor to pay within thirty (30) days shall be issued, and thereafter a strong letter of demand requesting the debtor to pay within fourteen (14) days shall be issued;

- **Doubtful Account**: A strong letter of demand requesting the debtor to pay within fourteen (14) days shall be issued, followed by final demand before hand over to external collection agencies or for litigation.

- **Bad Account**: A final demand followed by handover to external collection agencies or for litigation.

5. Elements of Proposal

Submissions should clearly demonstrate the capacity of the proponent, and must, at the minimum, include the following elements:

5.1 Description of the bidder including a general overview of key operations, names and credentials of key resource persons, as well as the number of full-time employees.

5.2 An outline of the bidder's strengths and the requisite skills or capabilities as they might relate to the envisaged project.

6. Scope of Work

6.1 Objectives

Our primary objective is to contract a Debtor collector capable to collect overdue debts more than 180 days old. Locate and contact debtors, claim outstanding debts towards our creditors as well as recovering the monies owed in as little time as possible. To negotiate payoff deadlines or payment plans with delinquent debtors.

7. Deliverables

The following are expected deliverables:

7.1 Bidding Deliverables

7.1.1 A clear and reasonably comprehensive project proposal that demonstrates the understanding of the scope of work contemplated above;

7.1.2 An oral (and ideally Power Point) presentation to be made to a panel of evaluators during the bidding process

7.1.3 Itemised costing in respect of the various activities, equipment and perhaps the human resources required for the project, with potential to opt out from certain activities as may be necessary due to potential budgetary constraints;

7.1.4 Management reports to be provided to on a monthly basis, which summarizes collection activity, results and recovery rates.

7.1.5 The monthly reports should entail all the methodologies used in efforts depending on the category of each case.

8. Bidding Brief

A detailed brief and questions session shall otherwise be held at Maseru Private Hospital for a maximum of two hours from 10.00 hours on the **17th** Day of **August** 20**22**.

9. Bidding Requirements

9.1 Formalities

A sealed envelope marked **"RFP for MPH Debt Collection Services"** at the top, addressed to "The Manager, Maseru Private Hospital, Thetsane West", reflecting the name, address and contact details of the bidder at the back and containing the following documents in **either originals or certified versions**:

9.1.1 Entity registration certificate or company certificate of incorporation;
9.1.2 A valid traders/trading licence;
9.1.3 Tax clearance certificate;
9.1.4 Proof of capacity to enter into a contract by way of either an ID or passport for private individuals, and either a resolution or power of attorney for entities;
9.1.5 Full project proposal document reflecting the experience plus the technical and financial capacity to manage the project, with annexes or attachments, as may be necessary.
9.1.6 The bidder should otherwise be not a subject of legal proceedings, be not under receivership, bankruptcy, judicial management or any other similar circumstances.

9.2 Technicalities

9.2.1 The project proposal shall start with an executive summary, where the proposal of a minimum size 12 font and 1.5 spacing, is in excess of five (5) pages. It shall otherwise contain clear headings, page numbers, with annexes as may be necessary;

9.2.2 The proposal shall demonstrate a clear understanding of the scope of work contemplated under Item 6 above, and shall include the itemised costing of the various components of the project constituting a total

monthly fixed fee and the proposed **percentage fee** over the monthly gross collections actually remitted the hospital's account.

9.2.3 The Proposer should provide sample letters (i.e. billing/notices sent to the debtor)

9.2.4 The extent to which any collection attempt will be made based on the value of the account and the types of attempts. For example, collection letters, phone contacts, skip traces, etc.

10. Timeline

A full response to this RFP should be submitted at the latest by 4.00 pm (16:00 hours) at Maseru Private Hospital on **Friday 26 August 2022**. Delivery may either be by hand or courier or mail at the contact details given under the Enquiries Section 14 below.

We otherwise envisage the following timeline:

Date	Activity
Thursday 11/08/2022	The comprehensive RFP document for the bidders is downloadable on our website. www.mphospital.co.ls
Wednesday 17/08/2022	A two-hour briefing session for the bidders, starting from 10 am
Friday 26/08/2022	Closing date for delivery of the bid proposals before 4.00 pm at Maseru Private Hospital
Monday 29/08/2022	One (1) hour oral presentations and questions session by each bidder to the evaluation panel
Monday 29/08/2022	Final evaluation and recommendation of the preferred bidder to management
Tuesday 06/09/2022	Consideration and approval process by the Board of directors
Friday 09/09/2022	Contract signing and implementation action plan

11. Evaluation Criteria

The following evaluation criteria shall be used:

11.1 Closed technical and substantive check shall be conducted to select the bidder(s) who have submitted quality proposals, demonstrating a clear understanding of the requirements of the client;

11.2 Selected bidders shall subsequently be called in turns, on dates and times to be given, to make their oral presentations within a maximum of one (1) hour, within which the question and answer session should be accommodated.

12. Budget

The selection will be based on either the lowest price or the most economically advantageous tender (MEAT Principle), which at times may favour a comparatively costlier bidder, with relatively more items and better quality compared to other lower cost bidders.

13. Payments

13.1 At the signing of the contract the service provider shall submit a formal proof of banking for his entity for entry into the hospital payments system;

13.2 Payment(s) shall be made against submission of valid, dated tax invoice(s), addressed to Maseru Private Hospital, clearly reflecting the services rendered, amount, value added tax (vat) if any, and the total;

13.3 Payment shall be made within seven working days from the date of invoice delivery/submission to the hospital, **strictly per electronic funds transfer (EFT) system**;

13.4 No deposit or down-payment shall be payable to the service provider.

14. Enquiries

All enquiries regarding this service shall be addressed to either:

Mr Tšele Lepekola
Maseru Private Hospital
Thetsane West
Private Bag A58
Maseru 100

Telephone: 22313260
e-Mail: lepekolat@mphospital.co.ls

Or:

Mr Toka Senkoto
Maseru Private Hospital
Thetsane West
Private Bag A58
Maseru 100

Telephone: 22313260
e-Mail: senkotot@mphospital.co.ls

15. Disclaimer

This RFP does not in any way oblige Maseru Private Hospital to either appoint or procure services offered by the respondent(s), nor does it bind it to reimburse the respondent(s) for any cost that they may incur in preparation and submission of this bid.

The **RFP** was prepared at _____ on this _____ day of _____ 2022 and signed by:

Tsele Lepekola **Mokutu Makara**

_____ _____

Hospital Accountant **Hospital Manager**