



**SPECIAL REPORT ON THE LEASING OF THE PRIVATE HEALTHCARE SERVICES AT
QUEEN MAMOHATO MEMORIAL HOSPITAL**

PRESENTED

BY

THE PUBLIC ACCOUNTS COMMITTEE

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ESTABLISHMENT AND MANDATE OF THE COMMITTEE

MANDATE OF THE COMMITTEE

The Public Accounts Committee (PAC) is established under Standing Order No. 97(5) and is vested with the same powers as Portfolio Committees as set out under Standing Order No. 95.

In executing its mandate, the Committee oversees all Government Ministries, Departments, Parastatals, State Organs, Courts, Constitutional Bodies, and both Houses of Parliament.

At its sitting of 11 /11/2025, the Committee resolved to initiate an inquiry into the financial management of Queen Mamohato Memorial Hospital (QMMH), following a petition and whistle-blower's reports alleging financial mismanagement.

COMMITTEE MEMBERSHIP

The Public Accounts Committee is comprised of the following Members of Parliament

1. Hon M Lemphane-Letsie
2. Hon M Masoetsa
3. Hon Dr T Moroke
4. Hon M Motsoasele
5. Hon N Seetsa
6. Hon M Maliehe
7. Hon L Makara
8. Hon D Jooma
9. Hon M Lehata
10. Hon T Mapesela
11. Hon M Maeea
12. Hon T Lekitla
13. Hon M Motsoane
14. Hon C Mabusela
15. Hon N Moshoeshoe

1. INTRODUCTION

This Special Report outlines the findings and recommendations of the Public Accounts Committee relating to the procurement, evaluation, and contracting processes involving the leasing of private health care services at Queen Mamohato Memorial Hospital (QMMH). The inquiry focused on;

- The legality of the procurement steps taken;
- The involvement of various officials in different committees,
- The compliance of the preferred bidder; and
- The legitimacy of the company that entered into the final agreement.

2. METHODOLOGY

The Committee held oral evidence sessions attended by the Principal Secretary of the Ministry of Health, the Acting Managing Director of QMMH, senior and middle management, the QMMH Committee representatives, and representatives of Tsebo Health Solutions.

Documents examined included Expression Of Interest submissions (EOI), Request For Proposal (RFP) documents, and the Commercial Agreement between QMMH and Tsebo Health Solutions, Evaluation reports, Minutes of the Evaluation and the Procurement Committees and all the agreements between all the parties in question.

3. FINDINGS AND OBSERVATIONS

3.1 Decision to Lease Private Health Care Services

- QMMH was designed with a private wing, intended to generate revenue and enhance the hospital's service delivery. However, the private wing has remained non-operational since QMMH started its operations.
- Following the departure of NETCARE in 2021, QMMH developed a strategic plan that included activation of this private wing. The Principal Secretary instructed management to proceed with the process of leasing, though She admitted that the decision was made without adequate and formal consultation. This instruction set in motion a procurement process that exhibited multiple irregularities.

3.2 Key observations

- QMMH 's strategic plan already included the operationalization of the private wing as one of the priorities
- The Principal Secretary did not do proper consultations on how to go about the leasing of the private wing
- The committee finds this lack of consultation inappropriate for a decision with financial and operational implications.

3.3 Expression of Interest (EOI)

An EOI was issued through two local newspapers , and submissions closed on 30th, March 2024. Submissions were received from

- Tsebo Solutions Group Lesotho
- Precious Medical Equipment aand Laboratory/Lidus Health Care Group and
- Excel Health (Pty)Ltd

Only Tsebo Solutions Group Lesotho and Excel Health progressed to the next stage.

3.4 Key Observations

- Tsebo Solutions Group Lesotho listed no health – related activities in its registration documents.
- QMMH Procurement Manager claimed that to have sought guidance from the then PPAD on how to proceed with the required procurement as they did not have any knowledge on how to proceed, she however failed to provide evidence of doing so.
- Tsebo Solutions Group Lesotho attached profiles of **Busamed, Totalcare Pharmacy, Mpilo Boutique Hotel and Lakeview Guest House** without any indication of partnership or joint venture.

3.5 Request for Proposal (RFP)

- Following evaluation, Tsebo Solutions Group Lesotho was recommended as the preferred bidder, and the recommendation was forwarded to the Procurement Committee.
- The Financial Proposal of Tsebo Solutions is presented in three paragraphs and it is not very clear as to how much QMMH will benefit in terms of Rent that will accrue from using operating theaters, and equipment thereof. The cited estimated amount does not indicate whether the payment by QMMH is in relation to the referrals that will be made to the private wing or what- it therefore leaves QMMH at a very high financial exposure and might lead to improper budgeting. The financial gain to QMMH is not very clear from the submitted proposal.

3.6 Adjudication Process

The evaluation Committee for EOI were:

1. Ms Thenjiwe Dlangamandla
2. Mr Lelimo Mokhotho
3. Ms Felleng Chefane (Mrs Maitumeleng Mpotjoane)
4. Ms Mpoetsi Makau
5. Mr Mafaso Mothibeli
6. Dr Makhoase Ranyali-Otubanyo
7. Ms Moleboheng Tau

The Evaluation Committee for the RFP were:

1. Ms Pauline Mokoroane
2. Ms Pabatso Matsoso
3. Ms Nthathi Lebona
4. Mr Teboho Taole

5. Ms Matanki Kopeli

The Procurement Committee were:

1. Mr Edward Kori
2. Mrs Maitumeleng Mpotjoane
3. Ms Mabaholo Kikine

3.7 Key Observations

Conflict of Interest 1

Mrs Maitumeleng Mpotjoane sat on **Both** the evaluation and Procurement Committees, while the Procurement Act 2023 clearly stipulates that one person cannot be a member of both the evaluation committee and the procurement Committee.

Conflict of Interest 2

- Dr Makhoase Ranyali- Otubanyo who was not an employee of QMMH, was a Committee Member at evaluation of EOI and later became a signatory to the final agreement with a **different company- Tsebo Health Solutions (Pty)Ltd;** and
- On 12 December 2024 the Procurement Committee declined the approval offer for Tsebo Solutions Group Lesotho, however the same Committee on the 24 December 2024 reversed its decision under unclear reasons and approved the award.

3.8 Agreement Between QMMH and Tsebo Health Solutions

On the 29th September, 2025, QMMH signed an agreement with Tsebo Health Solutions (Pty)Ltd.

The representative of Tsebo Health Solutions claimed that it was a joint venture Between Tsebo Solutions and Ntsekhe Holdings although no proof of that was

provided. It appeared that Tsebo Health Solutions was a company registered under the law in Lesotho on 30th April, 2024 when the EOI had long been submitted.

An intended Joint Venture was referenced in RFP (Tsebo Health JV) but to date has not been registered.

3.9 Key Observation

A critical irregularity where the company that signed the agreement did not submit an EOI and did not participate in the procurement process.

4. RECOMMENDATIONS

The Committee made the following recommendations:

4. 1. Terminate the Agreement

- The agreement between QMMH and Tsebo Health Solutions should be terminated in accordance with Clause 14.3.4 of the contract, which permits termination at Government's discretion with no claims from either party' within 30 days.

4.2. Audit the Procurement Process

- The Auditor-General must conduct a full audit of the procurement process within 60 days to determine any financial exposure to the government of Lesotho and the legality of the actions taken.

4.3. Disciplinary Action

- The Ministry should take disciplinary action against the officials involved in conflicts of interest and those involved in procedural violations.

QMMH should seek expert advice for appropriate ways of leasing private Health services.

5. CONCLUSION:

The Committee concludes that:

- The Procurement process was procedurally flawed and non-compliant with multiple clauses of the Public Procurement Act 2023;
- QMMH failed to seek or document guidance from PPAD despite lacking expertise on the required service;
- The financial proposal is not clear as to the amount awarded; whether it is to be paid by government of Lesotho or the company that gets to operate the Private Wing;
- Tsebo Health Solutions (Pty) Ltd did not participate in the procurement process, and QMMH received no documentation relating to this entity; and
- The agreement signed was improperly awarded and lacks legal foundation.

The Committee, therefore, wishes to submit this report to the House for adoption.

ANNEX 1

List of Names of Honourable Members of the Public Accounts Committee who adopted the report:

- 1. Hon. M. Lemphane – Letsie**
- 2. Hon. T. Lekitla**
- 3. Hon. M. Masoetsa**
- 4. Hon. M. Maea**
- 5. Hon. M. Maliehe**
- 6. Hon. T. Moroke**