



Transnet SOC Ltd

REQUEST FOR QUALIFICATIONS

CONTAINER CORRIDOR

REPUBLIC OF SOUTH AFRICA

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NOTICE TO RESPONDENTS

THIS IS A REQUEST FOR QUALIFICATIONS AND NOT A TENDER CALL

Transnet is seeking Submissions from qualified parties interested in entering into an Operating Lease with Transnet for the operation and maintenance of the Container Corridor for period of 20 years. The Operating Lease will include an obligation of investment which is required for the rehabilitation and upgrade of the associated Rail Network and rolling stock assets, as well as the operation and maintenance of the Container Corridor, which includes the Bayhead Back of Port Terminal and defined Inland Terminals of City Deep, Kascon and Bayhead. The operation and maintenance of and investment in the Container Corridor is intended to result in a significant shift of containers from road to rail, and increased operational reliability and efficiency.

Shortlisted Respondents may be invited to submit Proposals to Transnet through a Request for Proposals process. The Request for Proposals will not be made available to any Person except the Shortlisted Respondents.

This Request for Qualifications includes a general overview of:

- (a) the Container Corridor, described in Part 1, section 1.2;
- (b) the growth potential for rail intermodal solutions in the Container Corridor, also described in Part 1, section 1.2;
- (c) the envisaged scope of the proposed Operating Lease for the Project, as described in Part 1, section 1.3;
- (d) the envisaged transaction structure of the proposed Operating Lease for the Project, as described in Part 3; and
- (e) the envisaged Procurement process for selection of the Lessee, including instructions for responding to the RFQ, as described in Part 4.

SUBMISSIONS MUST BE RECEIVED BY TRANSNET ON OR BEFORE 5PM SOUTH AFRICA STANDARD TIME (GMT+2 HOURS) ON 27 MARCH 2023.

If any Participant or any of its subcontractors or any of their employees, advisors or agents makes or offers to make any gift, benefit or gratuity to any official or employee of Transnet or the Transaction Advisors in respect of the Procurement Process or the Project, either directly or through an intermediary, then such Person may be disqualified forthwith from participating in the Procurement Process and the Project and subject to further action in terms of policies and applicable laws dealing with bribery and corruption.

Transnet urges its clients, suppliers and the general public to report any fraud or corruption to

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DISCLAIMER

NO CONTRACT

This RFQ is not intended to, and will not, impose any legal obligation on Transnet. By participating in this RFQ and the Procurement process, each Participant expressly acknowledges, confirms and agrees that no contract, legal relationship or obligation or rights of any nature whatsoever is formed under, or arises from, this RFQ, the submission of any Submission Documents or the Procurement process described herein.

Transnet has prepared this RFQ for the sole purpose of providing general information about the envisaged Project and to assist Participants in determining whether to make a Submission in response to the RFQ.

The information set out in this RFQ is not intended, and does not purport to contain or represent all the information required to enable Participants to determine whether or not to make a Submission.

Participants are required to conduct and rely upon their own independent investigations, conclusions and analysis, including in relation to information provided as part of or pursuant to this RFQ, taking such advice (whether professional or otherwise) as they deem necessary.

Participants are also requested to advise Transnet of any information set out in this RFQ which they determine may be inaccurate or incomplete.

This RFQ is provided solely for the purpose set out herein and is not intended to form any part or determining factor or basis of any investment decision by Participants. The recipient should not consider the RFQ as an investment recommendation or investment related advice by Transnet or any of its advisors. Each Person to whom this document (and other later documents) is made available must make his, her or its own independent assessment of the Procurement process stipulated herein after making such investigation and taking such professional advice as he, she or it deems necessary. Neither the receipt of this RFQ nor any related document by any Person, nor any information contained in the documents or distributed with them or previously or subsequently communicated to any Participant or its advisors, is to be taken as constituting the giving of investment advice by Transnet or its Transaction Advisors.

Neither Transnet, nor any of its directors, officers, employees, consultants, contractors, representatives, Transaction Advisors or agents make any representation or warranty, either

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express or implied, as to the accuracy, completeness, reliability or reasonableness of the contents of this RFQ. Transnet is under no obligation to correct, update or revise this RFQ or any written or oral communications transmitted to any Participants.

INDEMNITY, WAIVER AND RELEASE

Transnet hereby expressly disclaims and is held indemnified for any and all liability, specifically but not limited to any costs, damages, liabilities or claims of any nature whatsoever, arising from or relating to the participation in the Procurement process described herein by any Participant or based upon or relating to any information, material, forecasts or estimates contained in this RFQ or any written or oral communications by Transnet or any of its directors, officers, employees, consultants, contractors or representatives.

As a condition of its participation in the Procurement process described herein, each Participant agrees and confirms that it will not make any claim or demand, or bring any action, suit or petition against Transnet, or any of its directors, officers, employees, consultants or representatives, for any costs, damages, liabilities or claims of any nature whatsoever relating to its participation in the Procurement process described herein or based upon or relating to any information, material, forecasts or estimates contained in this RFQ or any written or oral communication by Transnet or any of its directors, officers, employees, advisors, consultants, contractors or representatives.

DEFINED TERMS

As used in this RFQ and each of the Submission Documents:

"Back of Port" means a terminal located in close proximity to a port or port terminal, acting as a port decongestant and potentially providing additional value-added services.

"Bayhead Terminal", also referred to as **"Bayhead Back of Port Terminal"**, means Transnet's rail terminal located at 1 Langenburg Road, Bayhead, Durban.

"B-BBEE" has the meaning given to it in the B-BBEE Act.

"B-BBEE Act" means the Broad Based Black Economic Empowerment Act, No. 53 of 2003.

"B-BBEE Codes" means the B-BBEE Codes of Good Practice issued in terms of section 9(1) of the B-BBEE Act.

"B-BBEE Contributor Status" means the level at which a measured entity is recognised, based on its overall performance in respect of B-BBEE Elements, measured in terms of the B-BBEE Codes and/or any applicable Sector Codes, demonstrated by the submission of a valid B-BBEE Verification Certificate.

"B-BBEE Elements" means the elements contained in the B-BBEE Codes for measuring achievement of B-BBEE in relation to a measured entity.

"B-BBEE Verification Certificate" means a B-BBEE rating certificate or affidavit showing the B-BBEE Contributor Status of a measured entity, issued in terms of a Sector Code or the B-BBEE Codes, as applicable.

"Briefing Notes" means any notes issued by Transnet to supplement, vary or amend any portion of the RFQ.

"Centralised Traffic Control" or **"CTC"** means a system consisting of a centralized train dispatcher's office that controls rail interlockings and traffic flows in portions of the rail system designated as CTC territory.

"City Deep" means the Transnet Inland Terminal located at 12325 Houer St, Elandsfontein 107-Ir, Johannesburg South. City Deep is a Container terminal.

"Companies Act" means the Companies Act, No. 71 of 2008.

"Competition Act" means the Competition Act, No. 89 of 1998.

"Consortium" means any joint venture, partnership or other entity which is comprised of two or more Persons established for purposes of responding to the RFQ and participating in the Project.

"Container" means a freight container as defined in the International Standards Organization 830 Standards.

"Container Corridor" or **"Corridor"** means those parts of the Transnet Rail Network between Gauteng and the Port of Durban, and includes the link from Durban to Port Shepstone. The Corridor includes the City Deep and Kascon Inland Terminals, and the Bayhead Terminal which links the Rail Network to the Port of Durban. The Corridor provides links to Leeuhof, Newcastle, Vryheid and the Port of Richards Bay, which are not included in the geographical scope of the Corridor.

"COVID-19" means an infectious disease caused by the SARS-CoV-2 virus.

"Declaration of Interest Form" means the form of Declaration of Interest attached hereto as Annexure D.

"EBITDA" means earnings before interest, taxes, depreciation, and amortization.

"Fully Built Unit" or **"FBU"** means a vehicle imported or exported as a complete car, fully assembled.

"Government Department" means the Department of Transport, the Department of Public Enterprises, National Treasury and any other department of state organ notified by Transnet to the Participants which is directly connected with the implementation of the Procurement process.

"Inland Terminal" means an inland intermodal or Container terminal that facilitates: (1) the consolidation, storage and transfer of Containerised freight between rail and road, and (2) rail-based connectivity to ports as well as local and regional networks.

"Johannesburg Stock Exchange" or **"JSE"** refers to the Johannesburg Stock Exchange.

"Johannesburg Stock Exchange Debt Listings Requirements" refers to the Johannesburg Stock Exchange requirements for listed debt, with the latest versions available on the JSE website.

"Kascon" means the Transnet Inland Terminal located at Kascon terminal siding 704172, Kaserne, Johannesburg.

"Key Performance Indicator" or **"KPI"** means a quantifiable measure used to evaluate the success of an organization, employee or productive unit.

"Kingsrest Rail Yard" means Transnet's rail yard located on Langeberg Rd, Bayhead, Durban.

"Lead Member" means the entity which, pursuant to any applicable law or contract, legally and fully represents and irrevocably binds all Consortium members in all matters connected with the

Procurement process and any related transactions, which entity must meet the Minimum Financial Criteria.

“Lessee” means the Person or Consortium selected as a Shortlisted Respondent and ultimately appointed via the Procurement process to enter into an Operating Lease with Transnet in respect of the Project.

“Memorandum of Incorporation” or **“MOI”** means a public document which sets out the rights, obligations and responsibilities of Shareholders, Directors, and Prescribed officers of a company.

“Minimum Financial Criteria” means the financial criteria set out in Section 5.2(d) of this RFQ.

“Minimum Technical Criteria” means the technical criteria set out in Section 5.2(c) of this RFQ.

“National Ports Act” means the National Ports Act, No. 12 of 2005.

“National Rail Policy” means the National Land Transport Act: White Paper on the National Rail Policy, dated March 2022.

“National Treasury” has the meaning ascribed to it in the PFMA.

“NAVIS” means the Navis Sparcs N4 system, being the terminal operating system used to support the operations of multiple terminals operated by Transnet.

“Non-Disclosure Agreement” means the form of Non-Disclosure Agreement attached hereto as Annexure A.

“Operating Lease” means a lease arrangement in terms of which a Lessee leases, operates, upgrades and maintains specified Transnet assets and/or infrastructure.

“Original Equipment Manufacturer” or **“OEM”** means an organization that makes a product to be sold by another organization under its own name.

“Participant” means any Person who registers to participate in the RFQ stage of this Procurement process, on the Transnet e-Tender Submission Portal in accordance with the instructions provided in Section 4.5 of this RFQ.

“Passenger Rail Agency of South Africa” or **“PRASA”** means the Passenger Rail Agency of South Africa which is a state-owned enterprise responsible for most passenger rail services in the country.

“Permanent Way” or **“Perway”** means the permanently installed rail infrastructure comprising a railway line. This includes tracks, bridges and platforms, signalling systems, electrical systems, ballast and rail track amongst other aspects.

"Person" means a natural person, company, close corporation or other corporate entity, charity, partnership, joint venture, syndicate, association, trust or unincorporated organization or any other juristic person, and any trustee or other association of persons.

"Person of Influence" means any Person who is or at any point in the 10 years preceding the issue of the RFQ was, a (a) Domestic Prominent Influential Person; or (b) Foreign Prominent Public Official in terms of Schedule 3A and Schedule 3B, respectively, of the Financial Intelligence Centre Act No. 38 of 2001, including their family members contemplated in section 21H of that Act and their friends or business partners.

"PFMA" means the Public Finance Management Act, No. 1 of 1999.

"Prevention and Combatting of Corrupt Activities Act" means the Prevention and Combatting of Corrupt Activities Act, No.12 of 2004.

"Private Sector Participation" or **"PSP"** means a contractual arrangement in terms of which Transnet grants certain operating rights to a party in the private sector to use one or more Transnet assets or infrastructure, or jointly pursues a business opportunity with a party in the private sector.

"Procurement process" means the process for selecting the Lessee for participation in the Project.

"Project" means the entire scope of work and services relating to the Container Corridor, as generally described in this RFQ, which is to be carried out by the Lessee in accordance with the Project Agreements, including, without limitation and, except to the extent as may otherwise be agreed, the investment in, and operation and maintenance of the Container Corridor throughout the Operating Lease term.

"Project Agreements" means, collectively, the Operating Lease, and all licenses, permits and other related agreements, leases, legal documents or instruments to be entered into by Transnet and the Lessee in respect of the Project.

"Proponent" means a Shortlisted Respondent which submits a Proposal in response to the RFP.

"Proposal" means a proposal submitted by a Proponent in response to the RFP, a process described in Part 4 of this RFQ.

"Qualification Declaration" means the form of Qualification Declaration attached hereto as Annexure B.

"Rail Network" means the fixed rail network and supporting property, infrastructure and related services (including network security, network safety, network maintenance etc.) required for purposes of conducting Rail Operations.

“Rail Operations” means activities, assets and personnel (rolling stock, sales, operational planning, train safety, train security, shunting, haulage etc.) required to run trains.

“Railway Management” means management of the activities pertaining to Rail Operations and the Rail Network infrastructure.

“Related” means a relationship formed on the basis of any one or more of:

- (a) directors and shareholders;
- (b) family (including spouses and in-laws);
- (c) friendship;
- (d) partnership or participation in the same business venture;
- (e) professional engagement; or
- (f) employment.

“Request for Proposals” or **“RFP”** means the Request for Proposal documentation to be issued by Transnet to Shortlisted Respondents, setting out the requirements for the participation by Proponents in subsequent phases of the Procurement process and requesting their submission of Proposals.

“Request for Qualifications” or **“RFQ”** means this document issued by Transnet inviting Participants to participate in the Procurement process, and following submission of the Submission Documents by Respondents, to be considered for selection as Shortlisted Respondents.

“Respondent” means any Participant, including a Consortium, which makes a Submission to Transnet in response to and in accordance with the instructions set out in this RFQ.

“RFQ Clarification Request Form” means the form attached as Annexure E to this RFQ, to be used to make enquiries, ask questions or seek clarification in regard to the RFQ phase of the Procurement process.

“Shareholder Minister” refers to Transnet’s representative shareholder on behalf of the Government of South Africa, the Minister of Public Enterprises.

“Shortlisted Respondent” means a Respondent which, following the evaluation of all Submissions, is selected by Transnet to participate further in the Procurement process and to receive the RFP.

“Slot” means a period of temporary occupation of sections of the Rail Network to enable end to end passage of a train.

"Southern African Development Community" or "SADC" is an inter-governmental organization with the aim to further regional socio-economic cooperation and integration as well as political and security cooperation among 16 countries in southern Africa.

"Statement of Qualifications" means a statement of qualifications made by a Respondent and submitted to Transnet in the format described in the Submission Outline.

"Submission" means a Respondent's response to this RFQ and, in particular but without limitation, in response to Part 6 (*Submission Requirements*) of this RFQ.

"Submission Documents" means collectively the Non-Disclosure Agreement, Qualification Declaration, Statement of Qualifications and Declaration of Interest Form.

"Submission Outline" means the Submission outline attached hereto as Annexure C.

"TEUs" means twenty-foot equivalent unit Containers.

"Train Control" means different systems for controlling train movements whereby a set of instructions is issued by a train dispatcher to a train crew authorizing specific train movements, typically via colourlight signalling or radio communication.

"Transaction Advisors" means any advisors appointed by Transnet in respect of the Project, as notified to Participants from time to time.

"Transport Logistics Capability" means the ability to employ logistics capacities of space, assets or personnel available to carry, store or deliver goods e.g. warehouse, shipping, trucks or rail and includes the part of supply chain management that plans, implements and controls the efficient, effective movement and storage of goods.

"Transport Logistics Operation" means the process of moving goods from the source to the end user.

"Transnet" means Transnet SOC Ltd, registered and incorporated as such in terms of the company laws of the Republic of South Africa, with registration number 1990/000900/30, or by whatever other name it may be known from time to time, and including its constituent operating divisions.

"Transnet Engineering" or "TE" means the division of Transnet that specializes in manufacturing and maintenance of locomotives and wagons, with OEM accreditation with regard to certain locomotives and wagons.

"Transnet Freight Rail" or "TFR" means an operating division of Transnet that owns and manages Rail Network infrastructure and conducts Rail Operations over major rail corridors to transport commodities for export, regional and domestic markets. Its Rail Network and rail services provide

strategic links between ports, terminals and production hubs in the Southern African Development Community (SADC) region.

PART 1

GENERAL INTRODUCTION

1.1 TRANSNET SOC LTD

Transnet is a state-owned company (constituted in terms of the Legal Succession to the South African Transport Services Act No. 9 of 1989), with the South African Government as the sole shareholder. As a state-owned company and major public entity, the Companies Act and the PFMA serve as Transnet's primary governing legislation. Transnet is also subject to the Johannesburg Stock Exchange Debt Listings Requirements as they pertain to (i) the registration of a debt listing programme; and (ii) debt securities listed and to be listed.

Transnet's MOI, as approved by the Shareholder Minister on 25 June 2013, aligns with the provisions of the PFMA, the Companies Act, and the National Ports Act.

Transnet's mandate is to:

- Provide an efficient logistics system for South Africa;
- Support economic growth; and
- Ensure security of supply by providing appropriate infrastructure in a cost-effective and efficient manner, within acceptable benchmarks.

Transnet is the owner of South Africa's freight railway, ports and pipelines infrastructure and is structured to provide transport and handling services through its six operating divisions, namely:

- Transnet Freight Rail ("TFR");
- Transnet Engineering ("TE");
- Transnet National Ports Authority ("TNPA");
- Transnet Port Terminals ("TPT");
- Transnet Properties ("TP"); and
- Transnet Pipelines ("TPL").

As the custodian of ports, freight rail and pipelines, Transnet's objective is to ensure a globally competitive freight system that enables sustained growth and diversification of the South African economy.

Transnet Freight Rail

TFR provides Rail Network infrastructure and operates rail services over major rail corridors to transport commodities for export, regional and domestic markets. Its Rail Network and Rail Operations provide strategic links between ports, terminals and production hubs in the SADC region.

TFR maintains 30 400km of railway track (80% of Africa's total rail) and its network includes 3 928 kilometres of branch lines that serve as feeders to mainlines.

TFR has 1 500 km of dedicated heavy haul lines and operates world-class heavy haul coal and iron ore export lines and transports a broad range of bulk and general freight commodities including mining, agriculture, manufactured goods, bulk liquids, containerised freight and automotive units and components.

1.2 PROJECT BACKGROUND

Investments in port and rail infrastructure have not kept pace with the changing logistics requirements of South Africa's industrial sectors, leading to underperforming export systems directly impacting South Africa's regional and global trade competitiveness.

In particular, the Container Corridor linking Gauteng and eThekweni is intended to act as the backbone of South Africa's general freight rail transportation network and its efficient and effective functioning is vital to the economic growth of the country. Currently, however, this Corridor is not performing optimally.

The benefits of a greatly improved rail service in the Container Corridor, to support the growth aspirations of various industrial sectors together with the parallel development of the Port of Durban as a Container hub port, are widely recognised.

The turnaround of the rail performance in the Container Corridor cannot be realised without investments in Rail Operations together with the maintenance and upgrade of the Rail Network. Transnet's current financial challenges constrain its ability, not only to invest in the Corridor's turnaround but also to take advantage of the significant growth potential available to the Corridor. Transnet's growth and renewal strategy is rooted in a Private Sector Participation (PSP) model which mandates Transnet to leverage investment from the private sector for both infrastructure and operations to strengthen these aspects of its business.

Against this background, Transnet is exploring opportunities to engage the private sector by means of a PSP-based Operating Lease transaction, aimed at providing the necessary capital investments, operational expertise and market access to operate, maintain and upgrade the Container Corridor in a sustainable and mutually beneficial manner for a defined period.

Overview of the Container Corridor

As depicted in Figure 1, the Project scope encompasses the Rail Network and Rail Operations from City Deep to the Port of Durban and surrounding yards including the line south from Durban to Port Shepstone. The Container Corridor links the Port of Durban and associated Back of Port terminals to the hinterland Rail Network, including to Inland Terminals, namely City Deep and Kascon in Kazerne. These Inland Terminals service the broader Gauteng area and neighbouring countries. The Corridor has connectivity from Durban to the North Coast areas of Stanger and the bulk mineral Port of Richards Bay. The Corridor also provides linkages from Gauteng to the Cape Corridor areas of Port of Cape Town and Port of Ngqura, in addition to connectivity from Newcastle to the agricultural grain hubs in Bethlehem and Kroonstad.

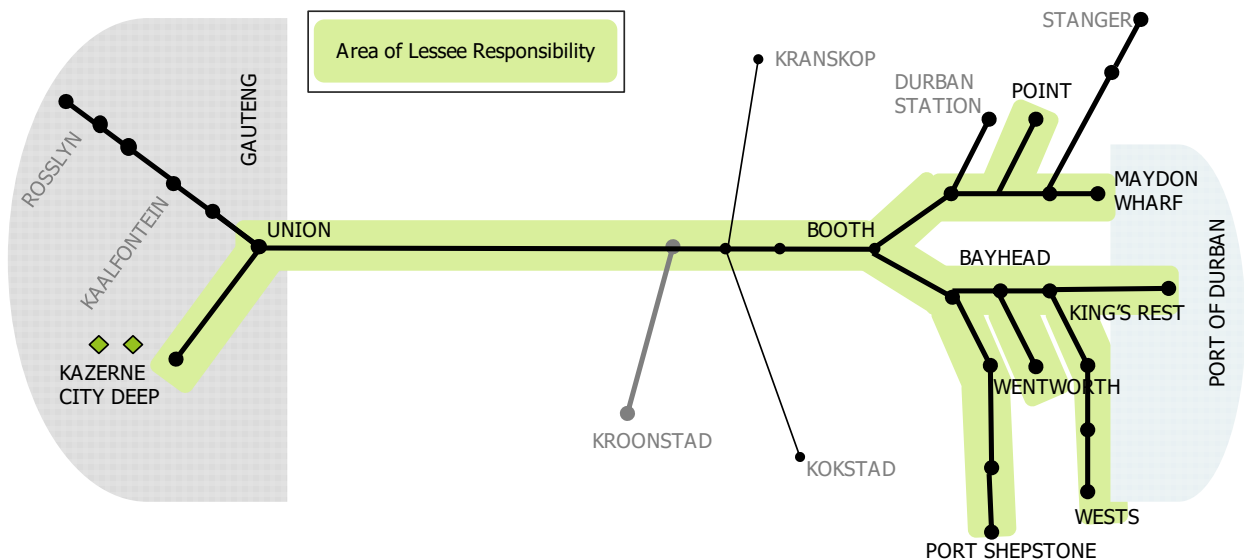


Figure 1: Schematic layout of the Container Corridor

Container Corridor Profile and Performance

Infrastructure & Operational Overview

The Container Corridor rail mainline is a fully electrified double-tracked rail line running from Booth in KwaZulu-Natal to Union in Gauteng. While the mainline is 670km in route length, the double line and various major marshalling yards and enabling rail lines takes the total track length of the Container Corridor to 1 621km.

The Corridor is comprised entirely of 1 067mm Cape-gauge track with traffic-controlling signals spaced to allow a 15-minute headway /intervals between trains. A 20-minute headway /intervals between trains is currently used as a safety margin to calculate

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operational capacity due to varying substation capacity in certain sections. Train Control on the mainline, which is the section between Booth and Union (refer to figure 1), is via colour-light signalling, a system similar to road traffic lights, controlled from a Centralised Traffic Control Centre (CTC), whereas VDU Warrant, or a manual system is used in connecting lines and branch lines. Access to yards and exits from yards are controlled via the CTC, however yard operations are manual.

Rail Operations and Rail Network management in the Corridor are supported by a staff complement of approximately 3 500 dedicated personnel employed by Transnet, with trains being manned from 4 crewing stations along the line.

The Lessee will assume responsibility for the execution of TFR current service agreements on the Corridor, utilising TFR Rail Operations expertise through the TFR employees, complemented by the Lessee's Rail Operations management expertise.

Slot Capacity

Design capacity of the mainline is 72 rail Slots per direction per day ("pdpd"), with a 35% maintenance allocation, leaving 47 operational Slots.

Current capacity allocation:

- Passenger trains: 8 Slots pdpd are allocated to passenger trains operated by PRASA.
- Container trains: 8 Slots pdpd between the Port of Durban and Gauteng equating to approximately 500 000 TEUs per annum. Container Slots are constrained by current port capacity.
- General freight trains: 10 Slots pdpd are available for other general freight trains.

Unutilised capacity:

- The Lessee will have access to the unutilised Slot capacity, within the current operational capacity of 47 Slots.
- To note: Notwithstanding the stated network operational capacity of the Container Corridor of 47 Slots pdpd, the current capacity in the various sections is below this number due to flood damage and incidents of theft; however repair work is in progress and will be completed by March 2023.

On average, the Corridor has experienced 143 security incidents per month for the half year to September 2022, compared to an average of 160 for the same period in 2021/22.

TFR has initiated a Slot sales process for private sector operators, and the Lessee will be required to comply with this process and any contractual agreements which may be concluded.

The Container Corridor endpoints in Durban service various port terminals in the Port of Durban, and various Back of Port terminals and near-port terminals in the greater Durban area, enabling short and long-haul Container services and non-Container traffic. The Lessee will be expected to provide Rail Operations to these terminals, and to manage and operate the Bayhead Terminal, as the primary Back of Port terminal, within the scope of the Operating Lease, to ensure port fluidity.

Kingsrest Rail Yard is the main Container rail marshalling yard for the Port of Durban, with the Bayhead Rail Yard supporting non-Container trains. To interface with the Port and other private sidings, both Kingsrest and Bayhead are supported by various exchange yards in Durban, as indicated in **Error! Reference source not found.** The rail yard infrastructure in the Port of Durban is owned and maintained by Transnet National Ports Authority.

The City Deep and Kaserne rail yards in Gauteng are the main marshalling yards supporting the Container Corridor operations.

The primary crewing depots for the Corridor are in Umbilo (Durban) and Kaserne (Gauteng) in addition to depots at Masons Mill and Newcastle, all of which are included in the scope of the Operating Lease for the Project. These depots house the crews that are responsible for the crewing of both the mainline haulage trains and shunt trains for electric and diesel locomotives. The Container Corridor mainline long haul trains between Durban and Gauteng are crewed on a 'book off operating model' where both Gauteng and Durban crew run trains to the centre point at Newcastle, the crews book off, and exchange trains to continue to the end destinations.

The Umbilo shed at Bayhead is the primary maintenance depot for the Corridor's mainline electric locomotives and also provides wagon maintenance support. Diesel locomotives used for shunting operations in Durban are maintained at a diesel depot located at Wentworth. Maintenance depots are managed by Transnet Engineering which is responsible for all maintenance and procurement activities for both locomotives and wagons. TFR has a maintenance service level agreement with Transnet Engineering in this regard.

Inland Terminals and sidings include a variety of Transnet-owned and privately owned sidings and terminals, with two of the largest (City Deep and Kascon) included in the scope of the Operating Lease for the Project. The City Deep and Kascon Inland Terminals are located in the south of Johannesburg. Both these terminals have Container storage (including refrigerated Containers) and road loading/off-loading capacity. City Deep and Kascon have stated capacities of 400 000 TEUs and 250 000 TEUs per annum respectively.

Both these Inland Terminals are rail-linked and critical to the Container Corridor and broader supply chain performance.

Port Container terminals and Inland Terminals currently use NAVIS, an IT platform for integrated planning and monitoring of Rail Operations.

Transnet will retain a level of oversight in the development of technical specifications for any investments by the Lessee involving changes to specifications of Corridor assets such as signalling systems, new locomotives etc. This is to ensure interoperability and long term (particularly post-lease) sustainability of the Corridor.

Customer Profile

The Container Corridor currently moves a mix of industrial cargoes in the Container, automotive, bulk mineral and agriculture sectors, from a diverse range of origin points. The Container Corridor has 75 customers mainly in the Container, automotive and fuel sectors, and moves a total of 14 commodities. The Container Corridor services 171 origin / destination points, not including flows originating on other parts of Transnet's Rail Network. Most categories of cargo in the mentioned industry sectors are highly sensitive to road competition both from a pricing and a supply chain Key Performance Indicator perspective.

Volumes

A continuous decline in Container Corridor volumes in recent years, summarised in Table 1, has been attributed primarily to operational disruptions resulting in customers relying on road freight where rail has been unable to meet KPIs. Volumes are articulated as tons inclusive of Container and automotive and all other non-Container traffic on the Corridor.¹ Forwarded volumes refers to trains originating in the Corridor with end destinations in the Container Corridor or any other TFR corridor. Received volumes represents volumes that do not originate in the Container Corridor but have an end destination in the Corridor.

Table 1: Container Corridor Volumes

	2017	2018	2019	2020	2021
Forwarded Volumes in Tons (mil)	8,24	7,85	7,64	7,13	5,68
Received Volumes Tons (mil)	5,95	6,76	7,11	5,91	5,02
Originating and ending on Corridor (Tons)	5,29	5,33	5,64	5,16	4,45

¹ Tons are used to comply with the standard reporting metric for TFR.

The below auto and TEUs are included in the above forwarded volumes (Tons)					
Automotive only FBUs (000's)	158,3	159,1	147,2	152,7	56,7
Containers only TEUs (000's)	379	437	425	397	300

Operational Metrics

Key operational metrics for the Container Corridor are provided in Table 2 and Table 3.

Table 2: Container Corridor Operational metrics

Metric	Value
Avg Train Tonnage	1 000
Avg Wagons /Train	40
Gross Ton/Km	4bn
Avg Km Freight Hauled	689

Table 3: Container Corridor: Annualised operational Performance metrics

Container Performance Metrics	2017	2018	2019	2020	2021
Container wagon Cycle Times (hrs)	146	119	118	147	188
Container Train Transit Times (hrs)	28	26	27	33	37
Container Train Length (wagons)	44	42	40	48	49

Identified Opportunities for Container Corridor Volume Growth

Rail volume growth in the Corridor will be driven by:

- Road to rail migration to recapture and grow market share lost to road competition*

TFR's prevailing operational challenges in the Corridor have eroded the rail market share, with road capturing cargo that is highly sensitive to time and service quality disruptions. Volumes of Containers moved by rail have reduced from ~379 000 TEUs in 2017/18 to ~300 000 TEUs in 2021/22, equating to a current rail market share of deepsea Containers of approximately 13%.

Repositioning rail in the Corridor via an Operating Lease creates the opportunity to increase rail market share in the Container sector to an estimated 30%.
- Prioritisation of rail-port linkages/ solutions to capitalise on parallel capacity developments for the Container and automotive sectors in the Port of Durban*

The Container Corridor is a key enabler of the anticipated future volume growth in the Port of Durban to prevent congestion of the port and surrounds. The phased implementation of various capacity upgrades at the Port of Durban will increase capacity from the current 2.9m TEUs to a planned eventual 11.3m TEUs by 2032.

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This is alongside a planned expansion in automotive capacity from approximately 520 000 FBUs to more than 900 000 FBUs by 2027.

When discounting future (2032) transshipment volumes of ~23% in the Port of Durban, 8.8m TEUs of gateway traffic must move to/ from the hinterland. Based on a future road/rail split calculated on an initiative-by-initiative basis, there is a potential for approximately 4.6 to 4.7m TEUs per annum to be moved via rail (approximately 10 times current volumes) as depicted in Figure 2. This equates to an increase in number of Container trains pdpd from the current 8 to 69 by 2032.

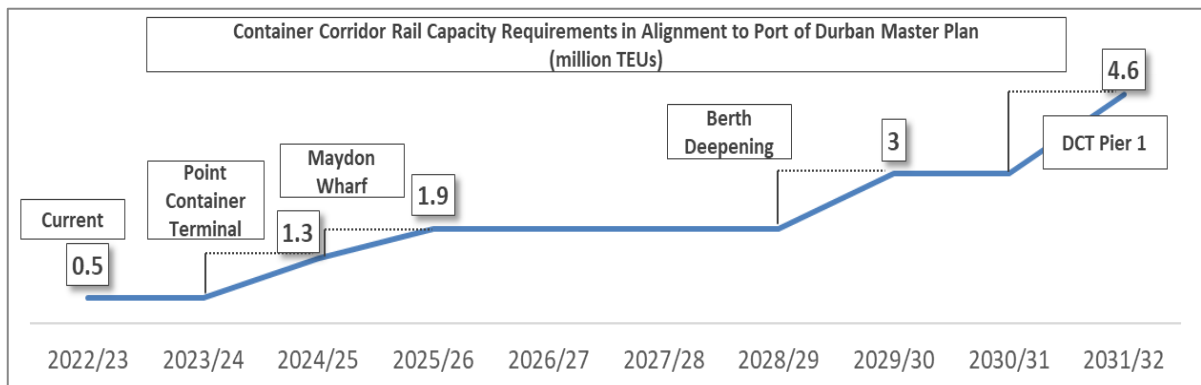


Figure 2: Port Master Plan Capacity Expansion Forecast

In contrast to planned port side expansions, the Container rail market share in the Port of Durban has declined from ~19% in 2017/18 to ~13% in 2021/22 with overall port volumes remaining consistent.

Over and above the volume growth expectations at the Port of Durban, the benefits that a well-functioning Container Corridor are anticipated to provide will improve service delivery within the port, near port and Inland Terminals. These are interdependent benefits, where anticipated economies of scale and integrated efficiencies of these facilities will improve the viability of planned expansions at the Port of Durban, creating a cyclical benefit effect.

1.3 PROJECT AND TRANSACTION OBJECTIVES

Transnet intends to co-opt the private sector to reposition the Container Corridor for sustainable growth by means of an Operating Lease awarded to a Lessee that has extensive experience in end to end (value chain) Container logistics and can commit to Container volumes (500 000 TEUs per annum) and investment in the Rail Network infrastructure, rolling stock, and Inland Terminals, to create the required reliability and efficiency in the system.

The viability of the Container Corridor would be enhanced by a Lessee that has:

- an established footprint or strong commercial relationships in global Container Transport Logistics Operation and associated value-added services; and
- control or significant influence over the planning of the logistics value chain for large volumes of Container traffic.

The Project scope in relation to assets, operations and personnel is presented at a summary level to give sufficient context to the magnitude of the transaction. The RFP to be made available to Shortlisted Respondents will include details in these areas, including asset registers.

With reference to Figure 3 **Error! Reference source not found.**, below, the following areas will be included in the Project:

- rail lines and links highlighted in red and green;
- Inland Terminals at City Deep and Kascon (in Kazerne);
- Bayhead Back of Port Terminal;
- rolling stock (approximately 419 locomotives and 4 829 wagons) currently allocated to the Corridor; and
- operationally critical properties and assets associated with Rail Network and Rail Operations.

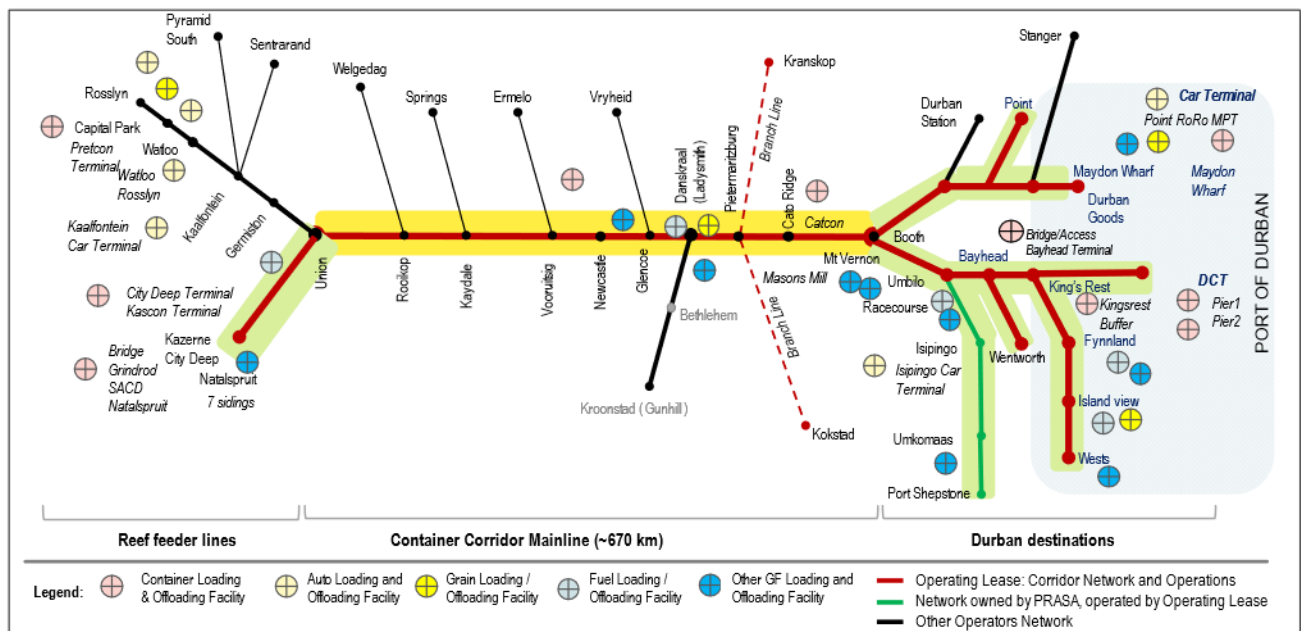


Figure 3: Operational Scope layout and profile of the Container Corridor

The scope of the Operating Lease for the Project includes:

- (a) investment in Rail Operations and Rail Network capacity in the Corridor by means of targeted investments to recapitalise the Rail Network and rolling stock where required, thereby enabling:
 - (i) improved rail efficiency, reliability and productivity (including volume densification);
 - (ii) efficient and effective management of the network and rolling stock fleet;
 - (iii) increased adoption of rail as a logistics mode of transport;
 - (iv) well-maintained assets throughout the lease period;
- (b) introducing new systems and tools (including value added services) in support of the goals listed in (a) above;
- (c) ensuring that the Container Corridor is operated on a fair and non-discriminatory basis, encouraging beneficial competition within and between various operators in the Container Corridor;
- (d) ensuring the sustainable financial viability of the Corridor through efficiency and operational scale (volume);
- (e) investing in future capacity to support the positioning of Port of Durban as a regional Container and automotive hub port, fully integrating an efficient hinterland logistics solution in the strategic (national) capacity planning process;
- (f) ensuring regulatory compliance including but not limited to TFR's rail operating permit and operating best practice in terms of the Container Corridor service offering to the market as well as service interfaces with Transnet; and
- (g) embedding the Container Corridor as an integral enabler for the Port of Durban, and thereby integrating into the global supply chain network.

The issue of this RFQ by Transnet represents the initial stage of the Procurement process for selection of the Lessee that meets the requirements of the Project.

Submissions must respond to the requirements of this RFQ, demonstrate an understanding of the desired outcomes, and address, at a high level, the key objectives set out in this Section 1.3.

All Submissions (unless rejected in accordance with the provisions of this RFQ) will be evaluated in accordance with the criteria set out in Part 5.

Respondents who submit compliant Submissions which include Statements of Qualifications that satisfy the minimum qualification criteria set out in Part 5 of this RFQ and best meet the objectives set out in this RFQ may be selected as Shortlisted Respondents at the sole and absolute discretion of Transnet. Shortlisted Respondents will then be invited to submit detailed Proposals in response to the RFP.

In the event that Transnet, at its sole discretion, should determine that none of the Submissions sufficiently meets the criteria or objectives of Transnet as set out in this RFQ, or if Transnet, in its sole discretion, otherwise determines not to proceed with the RFP process, Transnet reserves the right to discontinue this Procurement process and not proceed with the issuance of an RFP.

All costs incurred by Respondents in responding to this RFQ are solely for the Respondent's account. Under no circumstances, including in the instance of cancellation of this RFQ by Transnet or any determination not to proceed with the RFP process, will Transnet be liable for any costs incurred by Respondents.

PART 2

THE PROJECT ASSETS

2.1 CONTAINER CORRIDOR PROFILE

Table 4, below, provides a summary of Rail Operations and Rail Network assets in the Corridor.

Table 4: Container Corridor Asset and Resources Profile

Element	Container Corridor																											
Track kilometres	1 621km (incl. double line sections and the major yards)																											
# Crew depots	4																											
Origin to destination pairs (Loading/ Offloading Points)	171																											
Head count	3 573																											
Port Container train handling capacity	500 000 TEUs/ 8 trains per direction per day																											
Locomotives	Diesel: 157 Electric (18E): 262																											
Wagons	<table><tr><th>Commodity/ Flow</th><th>Wagon Type</th><th>Fleet Size</th><th>Ave Daily Supply</th></tr><tr><td>Fuel (Petrol / Diesel)</td><td>XP</td><td>1 209</td><td>750</td></tr><tr><td>Container Fleet</td><td>SM, SH</td><td>2 600</td><td>2 548</td></tr><tr><td>Auto Wagons</td><td>SC</td><td>1 020</td><td>925</td></tr></table>				Commodity/ Flow	Wagon Type	Fleet Size	Ave Daily Supply	Fuel (Petrol / Diesel)	XP	1 209	750	Container Fleet	SM, SH	2 600	2 548	Auto Wagons	SC	1 020	925								
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Container terminals	<table><tr><th>Container Terminal</th><th>Capacity (TEUs)</th><th>Cranes</th><th>Reach Stackers</th><th>Haulers</th><th>Head Count</th></tr><tr><td>City Deep</td><td>400k</td><td>3</td><td>5</td><td>10</td><td>142</td></tr><tr><td>Kascon</td><td>250k</td><td>0</td><td>5</td><td>6</td><td>60</td></tr><tr><td>Bayhead</td><td></td><td>0</td><td>4</td><td>2</td><td></td></tr></table>				Container Terminal	Capacity (TEUs)	Cranes	Reach Stackers	Haulers	Head Count	City Deep	400k	3	5	10	142	Kascon	250k	0	5	6	60	Bayhead		0	4	2	
Container Terminal	Capacity (TEUs)	Cranes	Reach Stackers	Haulers	Head Count																							
City Deep	400k	3	5	10	142																							
Kascon	250k	0	5	6	60																							
Bayhead		0	4	2																								

PART 3

THE PSP TRANSACTION

3.1 COMMERCIAL ARRANGEMENT

The Container Corridor is a ring-fenced business unit within TFR, as described in Part 1. Through a commercial arrangement in the form of an Operating Lease, the Lessee will assume responsibility for the following:

- i) Rail Operations in respect of the Corridor, including haulage and shunting responsibilities. All Transnet Container Corridor employees shall be made available to the Lessee through a Personnel Services Agreement, a draft of which will be annexed to the RFP;
- ii) rolling stock operations, and management of the existing fleet of locomotives and wagons, and investment in additional rolling stock to sustain operations and to meet new growth demands. There is an existing maintenance relationship between TFR and Transnet for existing rolling stock and for new fleet. The Lessee will have the option to contract with Transnet for the maintenance and capacity expansion of rolling stock or ensure that alternate options are sought;
- iii) Rail Network (Perway tracks, overhead, substations, signals, tunnels) maintenance and upgrades to sustain and increase rail handling capacity and reliability; and
- iv) Container terminals (City Deep, Kascon and Bayhead) operations and investment, to improve efficiency and capacity and introduce value add services.

A draft Operating Lease agreement for the Project will be included in the RFP documentation, covering the components described above and additional considerations such as:

- the transfer of any existing long term customer contracts and transport agreements;
- the transfer of any existing third party Slot sale agreements;
- the transfer of any customer service level agreements;
- the transfer of contracts for lease and or hire of equipment and similar assets;

- the transfer of maintenance contracts and service level agreements for rolling stock with Transnet and OEMs;
- the transfer of PRASA interface agreements;
- TFR network and train planning design/management and interface agreements if service is required or for trains traversing from other corridors; and
- TFR owned assets described in Part 2 which are to be included in the Operating Lease for the Project.
- The transfer of existing obligatory compliance obligations were applicable
- The transfer of existing Transnet employees

Transnet's intention is to appoint a Lessee for an Operating Lease period of 20 years. The RFP will detail the process whereby assets on the Corridor are to be handed back to TFR at the conclusion of the Operating Lease tenure.

Transnet's objective is for the initial period of the Operating Lease to be focussed towards capital investment and recovery of investments made by the Lessee. Transnet envisages that a profit share arrangement between Transnet and the Lessee will be concluded as part of the Project Agreements, to be given effect through a lease fee. The timing and details of the lease fee and/or the manner in which Shortlisted Respondents will compete on those aspects in subsequent stages of the Procurement process, will be provided for in the RFP documentation.

The National Rail Policy makes provision for rail infrastructure (some or all components of the Rail Network) to be financed by both Government and Private Sector Participation initiatives. As the National Rail Policy is implemented during the term of the Operating Lease, a government subsidy for some or all components of the Rail Network may become available to Transnet. The draft Operating Lease which is made available to Shortlisted Respondents with the RFP will contain provisions regulating the impact of implementation of the National Rail Policy on the rights and obligations of the Lessee and Transnet, which may include the return of the Rail Network to Transnet but the continued conduct of Rail Operations by the Lessee under different contractual arrangements.

Transnet reserves the right to change any or all of the above-described arrangements during the course of the Procurement process, and a more detailed description of the commercial and financial terms associated with the Project will be included in the RFP.

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PART 4

PROCUREMENT PROCESS AND SCHEDULE

4.1 PROCUREMENT PROCESS OVERVIEW

Transnet expects to conduct the Procurement process for the selection of a Container Corridor Lessee, by:

- (a) soliciting Submissions in response to this RFQ;
- (b) providing Participants with the opportunity to seek clarification and to submit questions regarding this RFQ and the Project to Transnet. Enquiries and responses will be made available to all Participants. Transnet reserves the right, subject to applicable legislation, to elect not to respond to any enquiry or question;
- (c) selecting Shortlisted Respondents based on the criteria set out in Part 5;
- (d) issuing the RFP to all Shortlisted Respondents, which RFP shall request detailed Proposals which will include technical submissions*;
- (e) providing Shortlisted Respondents with the opportunity to seek clarification and to submit questions regarding the RFP and the Project to Transnet, within a framework provided for in the RFP. It is intended that the proposed forms of the Project Agreements will be made available with the RFP for comment by Shortlisted Respondents, and may be revised and reissued pursuant to a consideration by Transnet of those comments, as part of the RFP process. Enquiries and responses and, where applicable, revised versions of any provision of the RFP or any Project Agreement, will be made available to all Shortlisted Respondents. Transnet reserves the right, however, subject to applicable legislation, to elect to not respond to any enquiry or question;
- (f) evaluating the Proposals and, to the extent appropriate, engaging further with all or certain Proponents in accordance with the RFP;
- (g) selecting a preferred Proponent; and
- (h) negotiating and finalizing the Project Agreements with the preferred Proponent.

* Proponents will be required to provide Transnet with a refundable bid bond, likely in the amount of USD 50,000 or the equivalent in South African Rands, concurrently with the submission of their Proposals (*for the avoidance of doubt*: only at the RFP stage, not during this RFQ stage). Shortlisted Respondents will be provided with specific requirements relating to the bid bond in the RFP, including in relation to the form of it, acceptable issuer, and validity period thereof.

4.2 ANTICIPATED PROCUREMENT SCHEDULE

The key milestones in the Procurement process and the currently anticipated schedule for its completion are set out in the following table:

	Activity	Milestone Date
1.	Issue RFQ	27 January 2023
2.	RFQ submission response date	31 March 2023
3.	Evaluation of Respondents from RFQ	07 April 2023
4.	Selection of Short-Listed Respondents	21 April, 2023

The schedule set out above represents the approximate dates on which Transnet currently anticipates the various stages of the Procurement process will be carried out and, except as otherwise set out in this Request for Qualifications, remains subject to change at the discretion of Transnet.

4.3 CONSORTIUMS

Submissions from Consortiums will be accepted by Transnet provided that:

- (a) members of any Consortium may only participate in the submission of one Statement of Qualifications (and in one Submission);
- (b) each member of the Consortium enters into a Non-Disclosure Agreement (attached hereto marked Annexure A) and submits it to Transnet through the Transnet e-Tender Submission Portal on or before the date of submission of the Statement of Qualifications;
- (c) each member of the Consortium completes a Qualification Declaration (attached hereto marked Annexure B) and a Declaration of Interest Form (attached hereto marked Annexure D) and submits those completed Submission Documents to Transnet through the Transnet e-Tender Submission Portal on or before the date of submission of the Statement of Qualifications;

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- (d) the information and material required from a Respondent for purposes of the Statement of Qualifications, as set out in the Submission Outline (attached hereto marked Annexure C), is submitted for each member of the Consortium;
- (e) the Consortium must include one or more members that satisfy the Minimum Technical Criteria. That member or those members (if more than one member satisfies the Minimum Technical Criteria) of a Proponent which satisfy the Minimum Technical Criteria will be required to assume responsibility for the rights and obligations contained in the Operating Lease if the Consortium is ultimately selected as the Lessee, through the provision of appropriate performance and financial guarantees to Transnet; and
- (f) at least the Lead Member of the Consortium must satisfy the Minimum Financial Criteria.

4.4 PREFERENTIAL PROCUREMENT QUALIFICATION CRITERIA

Transnet will not allocate preference points for B-BBEE Contributor Status or apply any B-BBEE-related qualification requirements in the RFQ stage of the Procurement process or for purposes of selecting the Shortlisted Respondents. However, Transnet reserves the right to apply B-BBEE and/or other preferential procurement criteria at the RFP phase of the Procurement process, in terms of the Preferential Procurement Policy Framework Act No. 5 of 2000.

The Respondent's Statement of Qualifications must be accompanied by a B-BBEE Verification Certificate showing its B-BBEE Contributor Status, as part of the Statement of Qualifications. Where the Respondent's B-BBEE Contributor Status has not been verified through the issue of a B-BBEE Verification Certificate, the Respondent should clearly indicate this in the Statement of Qualifications.

4.5 RFQ SUBMISSION

Transnet has implemented an electronic tender submission system, the e-Tender Submission Portal, in line with the overall Transnet digitalization strategy, where suppliers can view advertised tenders, register their information, log their intent to respond to bids and upload their bid proposals/responses on to the system. All Submissions in response to this RFQ must be uploaded by the Respondent via the Transnet e-Tender Submission Portal.

The Transnet e-Tender Submission Portal can be accessed as follows:

1. log on to the Transnet e-Tenders management platform website/ Portal (transnetetenders.azurewebsites.net). Please use **Google Chrome** to access Transnet link/site);
2. click on “ADVERTISED TENDERS” to view advertised tenders;
3. click on “SIGN IN/REGISTER” – for bidder to register their information (must fill in all mandatory information);
4. click on “SIGN IN/REGISTER” - to sign in if already registered;
5. toggle (click to switch) the “Log an Intent” button to submit a bid; and
6. submit bid documents by uploading them into the system against each tender selected.
7. No late submissions will be accepted. The bidder guide can be found on the Transnet e-Tender Submission Portal transnetetenders.azurewebsites.net

4.6 TRANSNET CONTACT PERSON

For purposes of this Procurement process, Participants may only contact Transnet through the e-Tender Submission Portal and/or through the following email address:

GRP-TFR-Operationslease@transnet.net

4.7 COMMUNICATION

- (a) Specific queries relating to this RFQ, and completed RFQ Clarification Request Forms, should be submitted to Transnet through the Transnet e-Tender Submission Portal and/or by electronic mail using the email address stated in Section 4.6, substantially in the form set out in Annexure E hereto. The period during which RFQ Clarification Request Forms may be submitted to Transnet is from 12:00 pm on 03 February 2023, to 12:00 pm on 17 March 2023.
- (b) In the interest of fairness and transparency, Transnet's response to any questions or comments raised in submitted RFQ Clarification Request Forms will be published on the Transnet e-Tender Submission Portal and the Transnet website.
- (c) After the closing date of the RFQ, a Respondent which wants to contact Transnet in connection with the Procurement process may only communicate by using the RFQ Clarification Request Form, substantially in the form set out in Annexure E hereto and submitting it by electronic mail to the email address

stated in Section 4.6. Respondents are to note that changes to their Submission will not be considered by Transnet after the RFQ closing date.

- (d) It is prohibited for Respondents to attempt, either directly or indirectly, to canvass any officer or employee of Transnet in relation to any matter concerning this RFQ between the RFQ closing date and the date of notification of selection of the Shortlisted Respondents, other than through the communication channel described in Section 4.7(c) above.

PART 5

ASSESSMENT OF SUBMISSION DOCUMENTS

5.1 ASSESSMENT PROCEDURE

Submissions received by Transnet in response to this RFQ will be evaluated by Transnet to determine which Respondents are qualified to meet Transnet's objectives and to efficiently undertake and complete the Project as a Lessee in accordance with the Operating Lease.

The process of evaluation of Submissions will be conducted in four stages, as follows (each described in more detail below):

- (a) compliance with Process Criteria;
- (b) compliance with Exclusion Criteria;
- (c) compliance with Minimum Technical Criteria; and
- (d) compliance with Minimum Financial Criteria.

5.2 EVALUATION OF SUBMISSIONS

In its consideration of each Submission and the selection of Shortlisted Respondents, Transnet will apply the following criteria in the order set out below:

- (a) Process Criteria
 - 1. Submissions will first be assessed to confirm whether these have been submitted according to the instructions for submission as stated in Section 7.3. Transnet reserves the right to disqualify any Respondent whose Submission deviates from those instructions for submission.
 - 2. Assessment as to whether the Submission meets the content requirements as described in Part 6. Transnet reserves the right to disqualify any Respondent whose Submission does not meet those content requirements.
- (b) Exclusion Criteria

The Respondent in question shall be disqualified from participating further in this RFQ and the Procurement process unless the Respondent, and in the case of a Consortium each member thereof executes and delivers to Transnet a Qualification Declaration

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confirming that none of the exclusion criteria set out therein apply to the Respondent or Consortium member.

Transnet reserves the right to undertake a due diligence process on Shortlisted Respondents during the RFP process. Details of the due diligence will be provided as part of the RFP documentation.

Respondents comply to the exclusion criteria if they (and their Consortium members) conform to the following requirements, to be confirmed by formally declaring, amongst other matters as set out in the Qualification Declaration, that:

2. All information and material contained in, or provided together with, the Respondent's Statement of Qualifications and submitted to Transnet concurrently herewith is true, accurate and complete.
3. The Respondent (and its Consortium members, as applicable) is not, and has not been, the subject of any bankruptcy, insolvency or creditor protection proceedings, and has not at any time been declared bankrupt or insolvent and has not initiated or taken any action to protect itself from creditors' rights.
4. No parent corporation, affiliate, major shareholder or partner of the Respondent (and its Consortium members, as applicable) is, or has been, the subject of any bankruptcy, insolvency or creditor protection proceedings and none have at any time been declared bankrupt or insolvent or initiated or taken any action to protect themselves from creditors' rights.
5. None of the Respondent (and its Consortium members, as applicable), any parent corporation, affiliate or partner of the Respondent (and its Consortium members, as applicable) or any of their respective directors or officers have at any time been convicted of fraud, breach of trust, bribery, corruption or another criminal offence.
6. Full disclosure has been made regarding the involvement of Persons of Influence in the Respondent (and its Consortium members, as applicable).
7. The Respondent (and its Consortium members, as applicable) accepts irrevocably the terms and conditions of this Request for Qualifications without reservations or qualifications.

(c) Minimum Technical Criteria

In order to qualify for consideration as a Shortlisted Respondent, a Respondent's Statement of Qualifications must clearly demonstrate that the Respondent (or in the case of a Consortium one or more members thereof) meets the Minimum Technical

Criteria outlined below, in regard to Transport Logistics Operation, and volume commitments.

<p>i. Transport Logistics Operation Experience</p> <p>The Respondent (or in the case of a Consortium one or more members thereof) must demonstrate its experience in Transport Logistics Operation, such as rail, road, terminals, warehousing, and sea freight transportation.</p> <p>In order to meet this requirement, the Respondent must list and submit details of a maximum of 5 Transport Logistics Operations with a cumulative minimum threshold of 250 000 Tons p.a., which are managed by the Respondent (or its Consortium members) directly or via an interface arrangement, currently or in the last five years.</p>
--

<p>ii. Volume Commitments</p> <p>The Respondent (or in the case of a Consortium one or more members thereof) commits, in the Submission, to provide a commitment in its RFP response to ensure that if it is contracted as Lessee in respect of the Project, a minimum annual operational volume of 500 000 TEUs will be transported by rail on the Container Corridor.</p>
--

Transnet will require that the business plan to be submitted by Proponents in response to the RFP includes the volume commitment made by Shortlisted Respondents in their Submissions.

The Shortlisted Respondent (or in the case of a Consortium one or more members thereof) will be required to demonstrate at the RFP stage of the Procurement process the Railway Management expertise that will be employed by the Shortlisted Respondent (or in the case of a Consortium one or more members thereof) as Lessee, to execute the scope of the Operating Lease.

Transnet will require that claims and declarations made by Shortlisted Respondents in response to the Minimum Technical Criteria described in the table above and included in the Statement of Qualifications be verified by an independent third party as part of the RFP process (in the event that an RFP process follows the RFQ process) (at the Shortlisted Respondent's cost). Further detail about this third-party verification / certification process will be provided to Shortlisted Respondents in the RFP document.

(d) Minimum Financial Criteria

A Respondent will be considered to have sufficient financial capacity, when the following criteria are met by its Lead Member (at latest financial year end):

- i. Each Respondent must submit its most recent five (5) years audited, consolidated financial statements (including auditor's report) showing that the profit, EBITDA and operational free cashflow in each of the last five years were positive. Where the impact of COVID-19 has resulted in a negative result, Transnet will concede the requirement for positive results in the affected financial years provided sufficient explanation of the COVID-19 impact is provided. Transnet reserves the right to admit Respondents that can provide a convincing explanation for a negative profit, EBITDA or operational free cashflow. For ease of assessment the Respondents should attach a table that has the EBITDA, Net Profit Before Tax, and Cash flows from operations for the past 5 years, with an explanation where applicable.
- ii. Solvency Ratio, computed from the most recent audited financial statements, is equal to or exceeds 0.4, as calculated by the following formula:

Solvency: $\text{Total Equity}^2 / \text{Total Assets}$ is equal to or exceeds 0.4
- iii. Liquidity Ratio, computed from the most recent audited financial statements, using the Acid Test Ratio, is equal to or exceeds 1 as calculated by the following formula:

Acid Test Ratio: $(\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}$ is equal to or exceeds 1

² Both Total Equity and Total Assets will be expressed in USD, using the IMF Historic Exchange Rate for the relevant currency, as of the date of publication of the financial statement. The relevant exchange rates may be found through: https://www.imf.org/external/np/fin/data/param_rms_mth.aspx

iv. Minimum investment

Investment Commitment

The Respondent (or in the case of a Consortium one or more members thereof) commits in the Submission to have access to financing of a minimum of R5.5bn in the form of capital investments and working capital. The Respondent is required to describe how these funds will be accessed in the event that the Proponent is contracted as Lessee for the Project.

As part of their response to the RFP, Shortlisted Respondents will be required to provide evidence of access to financing for purposes of giving effect to the business plan to be submitted by Shortlisted Respondents in response to the RFP.

- v. The Respondent declares, in its Submission, that since the publication of the latest financial statements, the Respondent's situation has not materially changed, such that the criteria will not be met in the financial statements of the current and subsequent financial years.
- vi. The Respondent declares, in its Submission, that the Respondent has, to date, not engaged in commitments to the extent that such commitments might affect the Respondent's ability to finance or complete the Project.

In the case of a Respondent which is a Consortium, at least the Lead Member must satisfy all 6 of the Minimum Financial Criteria described above.

Transnet will require that claims and declarations made by Respondents in respect of the Minimum Financial Criteria set out above and included in the Statement of Qualifications be verified by an independent third party as part of the RFP process (in the event that an RFP process follows the RFQ process), for Shortlisted Respondents (and at the Shortlisted Respondent's cost). Further detail about this third-party verification process will be provided to Shortlisted Respondents in the RFP document.

5.3 SOLE DISCRETION, NO LIABILITY

Transnet shall be the sole assessor of each Respondent's conformity with the requirements of this RFQ and the merits of each Submission. Transnet reserves the right, subject to applicable laws, to:

- (a) Amend, modify or withdraw this RFQ.
- (b) Require supplemental statements of information from any Respondents.
- (c) Accept or reject any or all Submission Documents.
- (d) Negotiate or hold discussions with one or more of the Respondents.
- (e) Issue a subsequent RFQ to a shortlist of qualified Respondents or a list of Respondents, on a new competitive basis.
- (f) Request clarification from Respondents regarding their Submission, during the Procurement process.
- (g) Cancel this RFQ, in whole or in part, for any reason or no reason in Transnet's sole discretion.

Transnet may exercise any such rights at any time, without notice or liability to any Respondent, Participant or other parties for their costs, expenses or other obligations incurred in the preparation of Submission Documents or otherwise; and to waive any condition or modify any provision of this RFQ with respect to one or more Respondents.

PART 6

SUBMISSION REQUIREMENTS

6.1 FORM AND CONTENT OF SUBMISSION DOCUMENTS

Each Respondent is required to submit completed Non-Disclosure Agreements, Qualification Declarations, a Statement of Qualifications and Declaration of Interest Forms.

Transnet is interested in Respondents that have proven experience and capability to deliver the Project, and Respondents should include in their Statement of Qualifications any information which will assist in demonstrating their qualifications and capability to successfully complete the Project.

6.2 NON-DISCLOSURE AGREEMENT

All Respondents must execute and deliver a Non-Disclosure Agreement (attached hereto marked Annexure A) to Transnet as part of the Submission Documents. If the Respondent is a Consortium, the Non-Disclosure Agreement must be executed and delivered by each member of the Consortium.

6.3 QUALIFICATION DECLARATION

A Qualification Declaration (attached hereto marked Annexure B) must be completed and executed by each Respondent and submitted to Transnet concurrently with the Respondent's Statement of Qualifications. If the Respondent is a Consortium, each member of the Consortium must complete, execute and submit a separate Qualification Declaration.

6.4 IDENTIFICATION OF THE RESPONDENT

Each Statement of Qualifications must include the full corporate name, contact person, mailing address, email address, telephone number, website address, ownership structure and country of incorporation or organization of the Respondent. In addition, each Respondent should include in its Statement of Qualifications, a detailed summary of the Respondent's global business activities.

If the Respondent is a Consortium, the information must be provided for each member of the Consortium.

A Respondent which has been selected by Transnet as a Shortlisted Respondent will, in general, not be permitted to make changes to the Consortium, for purposes of or in anticipation of submitting a Proposal in response to the RFP. Changes to the membership of the Shortlisted Respondent will be subject to Transnet's consent during the RFP process. It will not be permissible for those members of a Shortlisted Respondent whose experience and credentials were relied upon for purposes of qualification under this RFQ, including the Lead Member, to be substituted at RFP stage.

6.5 PROJECT OBJECTIVES

Each Statement of Qualifications should set out a general description of the Respondent's proposed strategy to meet the Transnet objectives for the Project described in Section 1.3 of the RFQ, in a brief, concise statement which is concrete and focused on the Respondent's proposed methodology to meet the Project objectives.

6.6 TRANSPORT LOGISTICS CAPABILITY AND TRANSPORT LOGISTICS OPERATION

In completing its Statement of Qualifications, each Respondent must provide information and supporting documentation regarding the Respondent's history, capability, and experience in relation to Transport Logistics Capability and Transport Logistics Operation inclusive of rail, road, terminals, warehousing, and sea freight transportation, in the form and with the detail required in terms of the Submission Outline (attached hereto marked Annexure C).

Shortlisted Respondents shall be required to demonstrate Railway Management experience, in the RFP stage of the Procurement process.

6.7 FINANCIAL INFORMATION

In completing its Statement of Qualifications, each Respondent must provide financial information and supporting documentation in compliance with the requirements in the Submission Outline (attached hereto marked Annexure C).

Transnet may, at its discretion, request additional financial information at any time during the Procurement process.

6.8 DECLARATION OF INTEREST FORM

A Declaration of Interest Form (attached hereto marked Annexure D) must be completed and executed by each Respondent and submitted to Transnet concurrently with the Respondent's Statement of Qualifications. If the Respondent is a Consortium, each member of the Consortium must complete, execute and submit a separate Declaration of Interest Form.

PART 7

INSTRUCTIONS FOR RFQ PHASE

7.1 TIME PLANNING OF RFQ PHASE

The tentative schedule for the RFQ phase of the Procurement process is stated in the following table.

Timeline for RFQ Phase

1.	ISSUE REQUEST FOR QUALIFICATIONS	27 January, 2023
2.	RFQ QUESTIONS AND ANSWERS PERIOD:	03 February, 2023 to 17 March 2023
3.	BRIEFING SESSION	17 February, 2023
4.	CLOSING DATE FOR RECEIPT BY TRANSNET OF SUBMISSION DOCUMENTS (PARTICIPANT REGISTRATION FORM, NON-DISCLOSURE AGREEMENT, DECLARATION OF INTEREST, STATEMENTS OF QUALIFICATIONS AND QUALIFICATION DECLARATIONS)	31 March, 2023
5.	EVALUATION OF SUBMISSIONS	07 April , 2023
6.	SELECTION OF SHORTLISTED RESPONDENTS	21 April, 2023

7.2 QUESTIONS AND ANSWERS PROCEDURE (Q&A)

Participants can address their questions to Transnet regarding the RFQ, the Procurement process and the Project, using the process described in Section 4.7. Transnet reserves the right, subject to applicable laws, not to respond to questions or communications made by a Participant, and to keep questions and communications with Participants confidential.

7.3 INSTRUCTIONS FOR SUBMISSION

- **Deadline for receipt by Transnet of Submissions**

The Respondent shall submit the Non-Disclosure Agreements, Statement of Qualifications, Qualification Declarations and Declaration of Interest Forms for the Respondent including each Consortium Member on or before the deadline for submission, **31 March, 2023 by no later than 5pm South African Standard time**. All these Submission Documents must be uploaded into the Transnet e-Tender Submission Portal system in accordance with the instructions at Section 4.5.

- **Language**

The Submission Documents and all enclosures thereto shall be written in, or translated into, English.

- **Currency**

All amounts and calculations in the Statement of Qualifications shall be presented in US Dollars.

- **Contact persons**

Please address all communications regarding the Procurement process to the following email address:

GRP-TFR-Operationslease@transnet.net

7.4 BRIEFING NOTES

Up to five (5) Business Days prior to the Submission response date, Transnet may, for any reason, whether at its own initiative or in response to a clarification requested by a Participant, subject to applicable laws, modify any part or aspect of this RFQ by the issue of one or more Briefing Notes.

Transnet may also issue additional information to Participants regarding the RFQ and the Project on an *ad hoc* basis, which information shall be provided in the form of Briefing Notes.

Briefing Notes will be sequentially numbered and will indicate whether they supplement, vary or amend any portion of the RFQ. All Briefing Notes shall be published on the Transnet e-Tender Submission Portal and Transnet website. All Briefing Notes shall be deemed to be part of the RFQ.

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The Respondent shall ensure that its Submission Documents are prepared taking into account all Briefing Notes issued by Transnet.

7.5 OTHER REQUIREMENTS AND CONDITIONS

- **Reporting obligation of the Respondent**

The Request for Qualifications has been drafted with the greatest possible care. However, it is possible that information in this Request for Qualifications is unclear, ambiguous or contradictory. Respondents are obliged to report such issues to the email address listed in Section 4.6 in order to ensure a smooth Procurement process.

- **Changes to the Procurement Process**

Transnet reserves the right to make any changes to the Procurement process, the Project and all relevant information pertaining thereto, in its discretion. In such event, Transnet shall timely inform the Participants and, where applicable, give the Participants an opportunity to adapt their Submission according to the changes.

- **Cancellation of Procurement Process by Transnet**

Transnet reserves the right, subject to applicable laws, to unilaterally cancel, stay or suspend the Procurement process at any time, in which case Transnet shall inform the Respondents. Respondents are not entitled to obtain compensation from Transnet for any costs incurred and/or damage suffered as a result of the cancellation of the Procurement process.

- **Prohibition on Use of Transnet Transaction Advisors**

It is strictly forbidden for Participants or Respondents to use or obtain advice from Transnet's Transaction Advisors in relation to the Procurement process. Transnet may disqualify any Respondent that includes in its Consortium, engages or consults with any such Transaction Advisor.

- **Media Release**

Media releases and advertising pertaining to the Procurement process shall not be made by or on behalf of any Participant without prior written approval from Transnet.

- **Costs of Submission preparation**

Each Submission and all information required to be submitted pursuant to this Request for Qualifications shall be compiled and prepared at the sole cost and expense of the Respondent. There shall be no claims whatsoever against Transnet, its staff, or its professional advisors, for reimbursement for the payment of costs or expenses incurred in the preparation of the Submission or other information related in any way to this Request for Qualifications.

- **Clarifications, verifications and corrections by Transnet**

Transnet reserves the right to ask the Respondents for clarification of any information presented in or accompanying the Submission Documents. The Respondent is obliged to co-operate with Transnet in regard to any such request.

Transnet reserves the right to verify the reliability of information presented in or accompanying the Submission Documents. The Respondent is obliged to co-operate in this context. Failure to comply with a verification request may lead to the exclusion from consideration of those sections of the Respondent's Submission Documents for which verification of information was requested.

Transnet reserves the right to request Respondents for corrections of information presented in the Submission Documents. The Respondent is obliged to co-operate in regard to any such request.

The submission of any inaccurate information or material by any Participant to Transnet, or the failure of the Participant to comply with any of the rules or conditions of the Procurement process, may, at the discretion of Transnet, result in the Participant's exclusion from further participation in the Procurement process.

7.6 NON-ELIGIBLE PERSONS

Respondents are required to declare if any of their Consortium members, or any individual who is a director, officer, employee or shareholder of any such member or partner, is employed by or Related to any employee of Transnet and/or a Government Department, by completing and submitting the Declaration of Interest Form (attached hereto marked Annexure D).

If any Respondent's Submission includes the involvement of any Person:

- (a) blacklisted by the office of National Treasury; or

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- (b) blacklisted by such person's professional body (if applicable);
- (c) employed by, or Related to any employee of, Transnet or a Government Department;
- (d) Related to any other Government official or Person directly involved in the Project, who may be involved with the evaluation of the Submission Documents, or any Person with the ability to influence the decision of Transnet with respect to the appointment of Shortlisted Respondents and or the preferred Proponent;
- (e) who has been found guilty in a court of law of fraud or corruption-related crimes or is named on any recognized international sanctions list; or
- (f) who is a Person of Influence, whose involvement in the Project has the potential to harm the reputation or standing of Transnet or bring the Project into disrepute,

such Submission may, in the sole discretion of Transnet, be rejected by Transnet.

A Respondent (and where the Respondent is a Consortium, a Consortium member) may not participate in, advise or be involved (either directly or indirectly) with more than one Respondent at any stage during the Procurement process pertaining to the Project.

Respondents shall ensure that no anti-competitive or collusive behaviour pertaining to the Procurement process or the Project is displayed or engaged in by any Person, Participant, member or advisor participating or involved with the Respondent.

Transnet shall, in its sole discretion, be entitled to disqualify any Respondent whose Submission Documents display any such anti-competitive or collusive behaviour, or if it becomes aware of any such anti-competitive or collusive conduct having been engaged in by any Respondent or Person associated therewith.

7.7 ACKNOWLEDGEMENT OF SOUTH AFRICAN LAW

The Respondent, and each member of a Consortium, is required to submit with their Statement of Qualifications a declaration stating, inter alia, that it is fully acquainted with the laws of South Africa (including without limitation all applicable statutes and regulations in the national, provincial and municipal spheres) in relation to procurement and the subject matter of the Project, or has engaged South African counsel to advise them in relation to the laws of South Africa, and that it will comply with such laws. The

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declaration required in respect of the Respondent or in respect of each Participant in a Consortium is included in the Submission Outline (attached hereto marked Annexure C).

Each Respondent will be solely responsible for satisfying itself with respect to all the legal requirements applicable to the Project as specified in this RFQ and shall have no claim against Transnet or the Transaction Advisors for any loss or damage it may suffer or incur by reason of any error, oversight or omission in relation thereto. This includes applying for, obtaining, maintaining, renewing and/or adhering to all relevant consents, permits, licences, authorisations and exemptions required to implement the Project. Failure to do so will be at the entire risk of each Respondent, and no relief will be given by Transnet for errors, oversights or omissions of a Respondent or in the case of a Consortium any Person or Participant who is a member of the Respondent. Further, no relief will be given for errors, oversights or omissions of Transnet.

7.8 CORRUPT GIFTS AND PAYMENTS

The attention of the Respondents is drawn to the Prevention and Combating of Corrupt Activities Act.

None of the Respondents, or any of its members in the case of a Consortium, or other Participant in a Submission or a Proposal or any of their agents or advisors, may commit an offence in terms of the Prevention and Combating of Corrupt Activities Act, including directly or indirectly, offering or giving to any Person in the employment of Transnet or any other Government official, who is directly or indirectly involved in the Procurement process or the Project, or any of the Transaction Advisors, any gift or consideration of any kind as an inducement or reward for appointing any Respondent as a Shortlisted Respondent or a preferred Proponent, or for showing or omitting to show favour or disfavour to any Respondent, Persons or Participants who are members of any Respondent, or its subcontractors in relation to the Project.

If any offence in terms of the Prevention and Combating of Corrupt Activities Act is committed, Transnet shall be entitled to terminate the relevant Respondent's participation in the Procurement process and/or to prohibit such Respondent, Persons or Participants who are its members, or any other Participant in the Submission Documents and their agents and advisors, from participating in any further stage or part of the Procurement process or the Project.

7.9 NO COLLUSION

The attention of each of the Respondents, Persons and Participants who are its members, as well as their advisors and agents, is drawn to section 4(1)(b)(iii) of the Competition Act which prohibits collusive bidding.

By submitting the Submission Documents, each of the Respondent, Persons and Participants who are its members in the case of a Consortium, and all other Participants in the Submission certify that:

- (a) its Qualification Declaration and Statement of Qualifications have been prepared without consultation, communication or agreement for restricting competition with any other Respondent, Persons or Participants who are member of another Respondent or Participant in another Submission, or any other competitor or potential competitor;
- (b) its Qualification Declaration and Statement of Qualifications have not been disclosed, nor will they be disclosed to any Respondent, Persons and/or Participants who are members of another Respondent or Participant in another Submission, or any competitor or potential competitor;
- (c) no attempt has been made or will be made by it to induce any other Person not to make a Submission or participate in the Procurement process for the purpose of restricting competition; and
- (d) no attempt has been made or will be made by it to induce any other Person to alter the form or contents of its participation in any Qualification Declaration and Statement of Qualifications for the purpose of restricting competition.

ANNEXURE A: NON-DISCLOSURE AGREEMENT

**TRANSNET SOC Ltd
REQUEST FOR QUALIFICATIONS
CONTAINER CORRIDOR**

NON-DISCLOSURE AGREEMENT

___ of ___, 2023
[COMPLETE DATE]

Transnet SOC Ltd
138 Eloff Street
Johannesburg
2000

Re: Transnet – Request for Qualifications Container Corridor

[NAME OF PARTICIPANT] of **[ADDRESS OF PARTICIPANT]** (the "**Participant**") confirms its intention to participate in the Request for Qualifications and Procurement process described in the Request for Qualifications issued on 13 January 2023 (the "**RFQ**") by Transnet for the selection of a Lessee for the Container Corridor.

The Participant further confirms, acknowledges and agrees that:

- (a) The Participant has received the RFQ and has submitted or is concurrently herewith submitting a Registration Form confirming its intent to participate in the Procurement process.
- (b) In connection with the Participant's participation in the Procurement process, and in order to assist it in considering the potential opportunity to undertake the development and operation of the Container Corridor as described in the RFQ, Transnet will disclose and make available to the Participant information, materials and documents relating to the Container Corridor and the business and affairs of Transnet.
- (c) All such information, materials and documents made available or provided by Transnet whether furnished before or after the date hereof, whether oral or written, and regardless of the manner in which it is made available or provided (including

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whether or not it is specifically described as being confidential), is of a confidential and proprietary nature and is referred to in this Non-Disclosure Agreement as "**Confidential Information**".

- (d) The Confidential Information includes, without limitation, all communications, whether written, electronically stored or delivered, or oral, of any kind between Transnet, or any of its representatives and the Participant, including all information, materials and documents contained or made available through Transnet, whether by way of dedicated Container Corridor websites, or otherwise, the electronic data room established by Transnet in respect of the Procurement process, and any and all information reports, analyses, studies, compilations, forecasts and other material prepared by or on behalf of the Participant which contain or otherwise reflect such information.

In consideration of the opportunity to participate in the Procurement process, the Participant hereby further agrees, acknowledges and confirms with Transnet as follows:

1. Non-Disclosure and use of Confidential Information

Except as required by law, the Participant shall:

- (a) keep all Confidential Information confidential and not disclose or reveal any Confidential Information to any Person other than to the Participant's directors, officers, employees, agents and representatives who are actively and directly participating in the Procurement process or who otherwise need to know the Confidential Information for the purposes of the Procurement process (collectively, the "**Participant's Representatives**") and to cause all such Participant's Representatives to observe the terms of this Non-Disclosure Agreement;
- (b) not use, or permit the use of, the Confidential Information for any purpose other than in connection with the Procurement process, and without limiting the generality of the foregoing, not use, or permit the use of, the Confidential Information to obtain a competitive advantage over Transnet or any other Person directly or indirectly, in any line of business in which either Transnet or the Participant is engaged;
- (c) not (and the Participant shall cause the Participant's Representatives to not) contact or attempt to contact any customer, supplier or employee of Transnet, any of their respective directors, officers, employees, agents and representatives or any other Person having business relations with Transnet;
- (d) not copy, reproduce or distribute, in whole or in part, any portion of the Confidential Information to any persons other than to the Participant's Representatives or as

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otherwise permitted by Transnet hereunder, at any time without the prior written consent of Transnet;

- (e) not disclose to any Person (other than to the Participant's Representatives) any information about the Procurement process.

2. Liability for Breach

The Participant acknowledges, confirms and agrees with Transnet that any disclosure of any Confidential Information by the Participant or any of the Participant's Representatives other than as specifically permitted hereunder, or any other breach of the terms of this Non-Disclosure Agreement by the Participant, or any of the Participant's Representatives, may result in substantial and irreparable damage and loss to Transnet and that the Participant shall remain solely responsible for and liable to Transnet for any damages, losses or liabilities arising from any breach of this Non-Disclosure Agreement by the Participant, or any of the Participant's Representatives.

3. Disclosure Required by Law

In the event the Participant or any of the Participant's Representatives are requested pursuant to, or required by, applicable law or regulation or by legal process to disclose any Confidential Information or any other information concerning Transnet or the Procurement process, the Participant agrees that it will provide Transnet with prompt written notice of such request or requirement in order to enable Transnet to seek an appropriate protective order or other remedy, to consult with the Participant with respect to Transnet taking steps to resist or narrow the scope of such request or legal process, or to waive compliance, in whole or in part, with the terms of this Non-Disclosure Agreement. In any such event the Participant will consent to Transnet obtaining any protective order or other appropriate remedy that Transnet may seek for the purpose of preventing disclosure of any of the Confidential Information. In the event that such protective order or other remedy is not obtained, or that Transnet waives compliance with the provisions of this Non-Disclosure Agreement, the Participant or the Participant's Representatives shall furnish only that portion of the Confidential Information which the Participant is advised by written opinion of counsel is legally required and the Participant shall use reasonable best efforts to cooperate with Transnet to obtain a protective order and to ensure that all Confidential Information and other information that is so disclosed will be accorded confidential treatment.

4. Governing Law and Jurisdiction

This Non-Disclosure Agreement shall be governed by and construed in accordance with the laws of South Africa. Each party hereto irrevocably submits to the non-exclusive jurisdiction of

the courts of South Africa with respect to any matter arising hereunder or in relation to this Non-Disclosure Agreement.

[NAME OF PARTICIPANT]

Per:

Authorized Signatory

Per:

Authorized Signatory

Acknowledged and Agreed to as of the _____ day of _____, 2023 by Transnet

Per:

Authorized Signatory

ANNEXURE B: QUALIFICATION DECLARATION

**TRANSNET SOC Ltd
REQUEST FOR QUALIFICATIONS
CONTAINER CORRIDOR**

THIS DECLARATION

MADE BY:

[Name of Respondent]

[Address of Respondent]

Email: _____
[Email address of Respondent]
(the "**Respondent**")

TO:

TRANSNET SOC LTD
138 Eloff Street
Johannesburg
2000
Contact person: Russell Molokoane

PURSUANT TO: The Request for Qualifications: Container Corridor
(the "**RFQ**")

DATE: _____ day of _____ 2023

All terms defined in the RFQ and used in this Qualification Declaration shall have the same meanings as ascribed thereto in the RFQ.

**THE RESPONDENT HEREBY DECLARES, REPRESENTS AND WARRANTS TO
TRANSNET AS FOLLOWS:**

1. All information and material contained in, or provided together with, the Respondent's Submission Documents and submitted to Transnet concurrently herewith is true, accurate and complete.
2. The Respondent, or one or more of its members in the case of a Consortium, currently operates either directly (for example as owner or statutory operator),

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or via an operating lease or similar commercial agreement, such Transport Logistics Capability and Transport Logistics Operation services the details of which are specified in the submitted Statement of Qualifications; and hereby confirms that the Respondent satisfies the following Minimum Technical Criteria:

Transport Logistics Operation Experience
Proven experience in Transport Logistics Operations, by listing a maximum of 5 Transport Logistics Operations with a cumulative minimum threshold of 250 000 Tons p.a., which are managed by the Respondent (or its Consortium members) directly or via an interface arrangement, currently or in the last five years.
Volume Commitment
The Respondent shall ensure that, if appointed as Lessee in respect of the Project, a minimum annual operational volume of 500 000 TEUs will be transported by rail on the Container Corridor.

3. The Respondent or if the Respondent is a Consortium, at least the Lead Member of the Consortium, satisfies the following 6 Minimum Financial Criteria:

- (a) The profit, EBITDA and operational free cashflow of each of the last five (5) years were positive. Where the profit, EBITDA and operational cashflow were negatively impacted by the COVID-19 pandemic, sufficient details are provided to explain the negative returns;
- (b) Solvency exceeds or is equal to 0.4 (based on latest audited financial statements); and
- (c) Acid Test Ratio exceeds 1 (based on latest audited financial statements).
- (d) Minimum investment

Investment Commitment
The Respondent (or in the case of a Consortium one or more members thereof) commits in the Submission to have access to financing of a minimum of R5.5bn in respect of capital investments and working capital.

- (e) Since the publication of the latest financial statements, the Respondent's situation has not materially changed, such that the minimum financial criteria described above will not be met in the financial statements of the current and subsequent financial years.
- (f) The Respondent has, to date, not engaged in commitments to the extent that such commitments might affect the Respondent's ability to finance or complete the Project.

The Respondent is not, and has not been, the subject of any bankruptcy, insolvency or creditor protection proceedings, and has not at any time been declared bankrupt or insolvent and has not initiated or taken any action to protect itself from creditors' rights.

No parent corporation, affiliate, major shareholder or partner of the Respondent is, or has been, the subject of any bankruptcy, insolvency or creditor protection proceedings and none have at any time been declared bankrupt or insolvent or initiated or taken any action to protect themselves from creditors' rights.

None of the Respondent, any parent corporation, affiliate or partner of the Respondent or any of their respective directors, officers or Persons associated with the Respondent have at any time:

- (a) been convicted of fraud, breach of trust, bribery, corruption or other criminal offence;
- (b) been named on any recognized international sanctions list;
- (c) committed any offence in terms of the Prevention and Combating of Corrupt Activities Act including directly or indirectly, offering or giving to any Person in the employment of Transnet or any other Government official, who is directly involved in the Procurement process or the Project, or any of the Transaction Advisors, any gift or consideration of any kind as an inducement or reward for appointing any Respondent as a Shortlisted Respondent or a preferred Proponent, or for showing or omitting to show favour or disfavour to any Respondent, Persons or Participants who are its members of any Respondent, or its subcontractors in relation to the Project.

None of the respective directors, executives, senior managers, officers or other Persons associated with the Respondent or any parent corporation, affiliate or partner of the Respondent is a Person of Influence, save for the Persons named below:

Name	Relationship between the Person of Influence and the Respondent	Description of the position/role which results in the named individual or entity being a Person of Influence

The Respondent accepts irrevocably the terms and conditions of this Request for Qualifications without reservations or qualifications.

DATED AT ON day of , 2023.

Authorized Signatory of Respondent

Name

Title

ANNEXURE C: SUBMISSION OUTLINE
TRANSNET SOC Ltd
REQUEST FOR QUALIFICATIONS
CONTAINER CORRIDOR

ALL STATEMENTS OF QUALIFICATIONS MUST BE IN THE FORM SET OUT IN THIS SUBMISSION OUTLINE AND MUST INCLUDE ALL INFORMATION AND MATERIAL SPECIFIED IN THIS SUBMISSION OUTLINE AND IN THE REQUEST FOR QUALIFICATIONS (THE "**RFQ**").

IF THE RESPONDENT IS A CONSORTIUM, THE REQUIRED INFORMATION AND MATERIAL AS SPECIFIED BELOW MUST BE PROVIDED FOR EACH MEMBER OF THE CONSORTIUM.

ALL TERMS DEFINED IN THE RFQ AND USED IN THIS SUBMISSION OUTLINE SHALL HAVE THE SAME MEANINGS AS ASCRIBED THERETO IN THE RFQ.

**PART 1 - IDENTIFICATION OF RESPONDENT (AND WHERE APPLICABLE
CONSORTIUM MEMBERS)**

- 1.1 Complete legal name of Respondent.
- 1.2 Jurisdiction of incorporation or organization of the Respondent.
- 1.3 Respondent's Head Office address.
- 1.4 Address of any office Respondent may have in South Africa.
- 1.5 Respondent's mailing address.
- 1.6 Respondent's email address.
- 1.7 Respondent's telephone number.
- 1.8 Respondent's website address.

-
- 1.9 Summary of the Respondent's business activities, showing geographical location.

PART 2 - CONSORTIUMS

- 2.1 If Respondent is a Consortium, list all members of the Consortium, the role of each member of the Consortium, the percentage shareholding intended for each member, and indicate who will be the Lead Member of the Consortium.
- 2.2 In the event that a Consortium agreement is already in place, submit this agreement as part of this Statement of Qualifications.

PART 3 - OWNERSHIP OF RESPONDENT OR CONSORTIUM

- 3.1 If the Respondent is a wholly owned subsidiary of a parent corporation, provide the name, address and jurisdiction of incorporation of the parent corporation.
- 3.2 If the Respondent is a corporation (other than a wholly owned subsidiary), provide the name, address and jurisdiction of incorporation, organization or residency of each of its major shareholders.
- 3.3 If the Respondent is a partnership, provide the name, address and jurisdiction of incorporation, organization or residency of each of its partners.
- 3.4 If the Respondent is an entity other than a corporation or partnership, describe the legal and ownership structure of the Respondent and provide the names, addresses and jurisdiction of incorporation or organization of each owner.

PART 4 - AUTHORIZED REPRESENTATIVE

Provide the name, title, residency, address, telephone number and email address of the individual authorized by the Respondent to represent the Respondent, to make enquiries to Transnet, and to receive correspondence on matters relating to the RFQ and the Procurement process.

PART 5 - PROJECT OBJECTIVES

Having regard to the objectives of Transnet described in Section 1.3 of the RFQ, describe, to the extent now known or anticipated, the Respondent's methodology for trying to meet the Transnet objectives through implementation of the Project, in a brief, concise statement which is concrete and focused on the methodology to be applied by the Respondent to meet the Project objectives. This statement should not be longer than approximately one page of A4 size.

PART 6 - RESPONDENT'S EXPERIENCE

Technical Information

6.1 Provide a summary of the Respondent's experience in each of the areas in the Transport Logistics Operations which make up the minimum threshold of 250 000 Tons p.a., including (for each such area) the following information:

- a) Role of the Respondent (or Consortium member) in the Transport Logistics Operation;
- b) Duration of the Respondent (or Consortium member)'s involvement in the Transport Logistics Operation, and the start and end dates of such involvement;
- c) Modes of transport and logistics services offered;
- d) Size of operation (commodities, volumes, turnover, number of employees);
- e) Rail freight volumes per logistics activity (outbound/inbound);
- f) Capital investment;
- g) Scope of Container terminals operations, maintenance and expansion.

This summary should not be longer than approximately 4 pages of A4 size.

6.2 With respect to each Transport Logistics Operation or similar activity listed in response to paragraph 6.1 of this Submission Outline, provide details of the Respondent's experience in improving the performance of the Transport Logistics Operation in question. Please include as much quantitative information as possible.

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- 6.3 Provide details of how the operation of the Inland Terminals which form part of the Container Corridor will be undertaken.
- 6.4 Provide details of how additional volumes (up to the annual volume of 500 000 TEUs) on rail will be achieved, and confirm the Respondent's willingness to provide a guarantee in the Proposal submitted in response to the RFP, in respect of the additional volumes that will be sourced for the Container Corridor.

Financial Information

- 6.5 Provide, at a minimum, the most recent five (5) years audited, consolidated financial statements, including auditors' reports, for the Respondent, and for each member of the Consortium if the Respondent is a Consortium. Where applicable, provide the most recent five (5) years audited, consolidated financial statements, including auditors' reports, for respective parent corporations and any other entity anticipated to assume any financial responsibility in connection with the Project by way of equity contribution, guarantee, debt or otherwise.
- 6.6 Provide current credit rating reports if available, for the Respondent, and for each member of the Consortium if the Respondent is a Consortium. Where applicable, provide current credit rating reports for respective parent corporations and any other entity anticipated to assume any financial responsibility in connection with the Project by way of equity contribution, guarantee, debt or otherwise.
- 6.7 Provide the Solvency and Liquidity calculations based on the most recent audited financial statements.
- 6.8 Provide details of how the Lessee will meet the minimum investment required, being access to financing of a minimum of R5.5bn in respect of capital investments and working capital.

PART 7 - CONFIRMATION

- 7.1 Provide confirmation of the Respondent's acceptance of the Procurement process, and the terms and conditions set out in the RFQ. Respondent to include confirmation that none of the exclusion criteria apply to the Respondent, or any Consortium member, by signing and submitting the Qualification Declaration (Annexure B).

-
- 7.2 Provide confirmation that the Respondent obtained such legal and other advice as it has determined necessary and confirms its understanding of and agreement with the Procurement process and the terms and conditions set out in the RFQ by signing and submitting the Qualification Declaration (Annexure B).
- 7.3 Provide confirmation that the Respondent is fully acquainted with the laws of South Africa (including without limitation all statutes and regulations (on a national, provincial and municipal level)) in relation to procurement and the subject matter of the Project, and will comply with such laws, or that the Respondent has engaged South African counsel to advise them in relation to the laws of South Africa (including without limitation all statutes and regulations (on a national, provincial and municipal level)) in relation to procurement and the subject matter of the Project by signing and submitting the Qualification Declaration (Annexure B).
- 7.4 Provide the B-BBEE Verification Certificate for the Respondent (if the Respondent has a B-BBEE Verification Certificate).
- 7.5 Provide confirmation that the Participants in the Respondent will not make any claim or demand, or bring any action, suit or petition against Transnet, or any of its directors, officers, employees, consultants or representatives, for any costs, damages, liabilities or claims of any nature whatsoever relating to its participation in the Procurement process or based upon or relating to any information, material, forecasts or estimates contained in the RFQ or otherwise provided or made available by Transnet or any of its directors, officers, employees, consultants, contractors or representatives by signing and submitting the Qualification Declaration (Annexure B).

ANNEXURE D: DECLARATION OF INTEREST**TRANSNET SOC Ltd
REQUEST FOR QUALIFICATIONS
CONTAINER CORRIDOR**

NAME OF ENTITY: _____

We/I [insert full name]

_____, representing the
above-named Participant do hereby certify that:**PART I: DECLARATION OF INTEREST REGARDING TRANSNET**

1. At no stage has the Participant received additional information relating to the subject matter of this RFQ from Transnet sources, other than information formally received from the designated Transnet contact(s) as nominated in the RFQ documents;
2. The Participant has complied with all obligations which apply to Respondents as indicated in the Transnet Supplier Integrity Pact (available on the Transnet website) which includes but are not limited to ensuring that the Participant takes all measures necessary to prevent corrupt practices, unfairness and illegal activities in order to secure or in furtherance to secure a contract with Transnet;
3. We declare that a family, business and/or social relationship **exists / does not exist** [delete as applicable] between an owner / member / director / partner / shareholder / employee of the Participant and a board member of Transnet or any employee of Transnet who may be involved in the evaluation and/or adjudication of this Submission;
4. We declare that an owner / member / director / partner / shareholder / employee of the Participant **is / is not** [delete as applicable] an employee or board member of Transnet;
5. In addition, we declare that an owner / member / director / partner / shareholder / employee of the Participant **has / has not been** [delete as applicable] an employee or board member of Transnet in the past 10 years. We further declare that if they were a former employee or board member of Transnet in the past 10 years, they **were/were**

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not involved in the bid preparation or had access to the information related to this RFQ;
and

6. If such a relationship as indicated in paragraph 3, 4 and/or 5 above exists, the Participant is to complete the following section:

FULL NAME AND POSITION IN THE PARTICIPANT, OF OWNER / MEMBER / DIRECTOR / PARTNER / SHAREHOLDER / EMPLOYEE	NATURE OF RELATIONSHIP WITH TRANSNET (AND RELEVANT TIME-PERIOD IF FORMER EMPLOYEE OR BOARD MEMBER)

7. We declare, to the extent that we are aware or become aware of any relationship between ourselves and Transnet [other than any existing and appropriate business relationship with Transnet] which could unfairly advantage our entity in the forthcoming adjudication process, we shall notify Transnet immediately in writing of such circumstances.
8. We acknowledge and accept that the failure to furnish complete and accurate information in this declaration will lead to the disqualification of the relevant Submission and may preclude a Participant from doing future business with Transnet. Information provided in this declaration may be used by Transnet and/or its affiliates to verify the correctness of the information provided.

For and on behalf of _____	AS WITNESS:
duly authorised hereto	
Name:	Name:
Position:	Position:

Signature:	Signature:
Date:	Registration No of Company/CC
Place:	Registration Name of Company/CC

PART II: DECLARATION OF INTEREST REGARDING PERSONS EMPLOYED BY THE STATE (SBD4)

1. Any legal person, including persons employed by the state³, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to qualify (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or Related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the Respondent is employed by the state; and/or
- the legal Person on whose behalf the Respondent's document is signed, has a relationship with persons/a Person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the Person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative.....

2.2 Identity Number:

³ "State" means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

2.3 Position occupied in the Company (director, trustee, shareholder):
.....

2.4 Company Registration Number:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

2.7 Are you or any Person connected with the bidder **YES / NO**
presently employed by the state?

2.7.1 If so, furnish the following particulars:

Name of Person / director / trustee / shareholder/ member:
.....

Name of state institution at which you or the Person
connected to the bidder is employed:

Position occupied in the state institution:

Any other particulars:

.....
.....
.....

2.7.2 If you are presently employed by the state, did you obtain **YES / NO**
the appropriate authority to undertake remunerative
work outside employment in the public sector?

2.7.2.1 If yes, did you attached proof of such authority to the bid **YES / NO**
document?

(Note: Failure to submit proof of such authority, where

applicable, may result in the disqualification of the bid.)

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....
.....
.....

2.8 Did you or your spouse, or any of the company's directors /
trustees / shareholders / members or their spouses conduct
business with the state in the previous twelve months?

YES / NO

2.8.1 If so, furnish particulars:

.....
.....
.....

2.9 Do you, or any Person connected with the bidder, have
any relationship (family, friend, other) with a Person
employed by the state and who may be involved with
the evaluation and or adjudication of this bid?

YES / NO

2.9.1 If so, furnish particulars.

.....
.....
.....

2.10 Are you, or any Person connected with the bidder,
aware of any relationship (family, friend, other) between

YES/NO

any other bidder and any Person employed by the state
who may be involved with the evaluation and or adjudication
of this bid?

2.10.1 If so, furnish particulars.

.....
.....
.....

2.11 Do you or any of the directors / trustees / shareholders / members **YES/NO**
of the company have any interest in any other related companies
whether or not they are bidding for this contract?

2.11.1 If so, furnish particulars:

.....
.....
.....

3. FULL DETAILS OF DIRECTORS / TRUSTEES / MEMBERS / SHAREHOLDERS.

Full Name	Identity Number	Personal Tax Reference Number	State Employee Number / Persal Number (where applicable)

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4 DECLARATION

I, _____ THE _____ UNDERSIGNED
(NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE
IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN
TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT
SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....

Signature

Date

.....

Position

Name of bidder

ANNEXURE E: RFQ CLARIFICATION REQUEST FORM

**TRANSNET SOC Ltd
REQUEST FOR QUALIFICATIONS
CONTAINER CORRIDOR**

RFQ No:

RFQ deadline for enquiries, questions or clarifications: Before 12:00 pm South Africa Standard time on 17 March 2023.

TO: Transnet SOC Ltd

ATTENTION: The Tender Administrator

EMAIL GRP-TFR-Operationslease@transnet.net

DATE: _____

FROM: _____

RFQ Clarification No *[to be inserted by Transnet]*

REQUEST FOR RFQ CLARIFICATION

TRANSNET CONFIDENTIAL INFORMATION



REQUEST FOR QUALIFICATIONS
CONTAINER CORRIDOR

END