



SCOPE OF WORK

1. INTRODUCTION AND BACKGROUND

PetroSA SOC Ltd (“PetroSA”) is undertaking a strategic initiative to re-establish Liquefied Petroleum Gas (LPG) supply into Mosselbay, following the cessation of refining operations at the Gas-to-Liquids (GTL) refinery. The decline in domestic refining capacity within South Africa has materially impacted the availability of locally produced LPG, necessitating the development of alternative supply mechanisms to ensure continuity of supply to the market.

In response to this, PetroSA is pursuing the importation of LPG as a primary supply source to service demand in the Southern Cape, Western Cape, and Eastern Cape regions. While long-term infrastructure solutions (including marine import facilities and pipeline connectivity) remain under consideration, these require extended development timelines and significant capital investment.

Accordingly, PetroSA has identified the use of isotainer-based logistics as a practical, flexible, and near-term solution to enable LPG imports into the Mosselbay refinery. This approach allows for the transportation of LPG in ISO-certified pressure vessels via multimodal logistics (including marine, road, and/or rail), thereby bypassing the immediate need for fixed marine import infrastructure.

PetroSA hereby invites qualified and experienced suppliers to participate in a competitive tender process for the supply and delivery of LPG via isotainers to the Mosselbay terminal. The objective of this tender is to appoint one or more

suppliers capable of providing a reliable, safe, and commercially competitive supply of LPG under a structured and transparent commercial framework.

The scope of this tender includes, but is not limited to:

- Sourcing and supply of LPG (local and/or international origin);
- Provision and management of isotainers compliant with applicable international standards;
- Execution of all logistics associated with filling, transportation, importation (where applicable), and delivery;
- Compliance with all relevant safety, environmental, and regulatory requirements, including those of the Port of Mosselbay and applicable South African authorities.

This tender is designed to establish a scalable and sustainable supply model, with an initial ramp-up phase and the potential to increase volumes in line with market demand and infrastructure readiness.

Bidders are required to demonstrate technical capability, operational experience, and commercial competitiveness, and must provide detailed and transparent pricing structures to enable full evaluation of the total landed cost of LPG into Mosselbay.

PetroSA emphasises that alignment with port authorities, regulatory bodies, and terminal operating requirements is a fundamental condition for execution. As such, bidders must ensure that their proposed solutions are fully compatible with the operational, safety, and logistical constraints of the Mossel Bay port and terminal environment.

This tender represents a critical component of PetroSA's strategy to restore LPG market participation and contribute to the stabilisation of LPG supply within South Africa.

2. SCOPE OF WORK

2.1 Overview

The purpose of this Scope of Work is to define, in clear and unambiguous terms, the responsibilities of the successful bidder(s) for the supply and

delivery of Liquefied Petroleum Gas (LPG) to PetroSA's Mossel Bay terminal through isotainer-based logistics solutions.

The successful bidder(s) shall provide a fully integrated supply solution, inclusive of product sourcing, isotainer provision, logistics, and delivery, in accordance with the requirements set out in this document.

2.2 Scope of Supply

The bidder shall be responsible for the sourcing and supply of LPG, which may be of local and/or international origin. The bidder must ensure that:

- The LPG supplied complies with all applicable South African standards and specifications;
- Product quality is consistent and fit for purpose for commercial and industrial use;
- Full product traceability is maintained from source to delivery point.

The bidder shall provide all relevant product specifications, certificates of quality, and supporting documentation with each delivery.

2.3 Isotainer Provision and Management

The bidder shall provide ISO-certified pressure vessels (isotainers) suitable for the storage and transport of LPG. The bidder shall:

- Ensure all isotainers comply with applicable international standards (including but not limited to ISO, UN T75, and IMDG requirements);
- Maintain all certifications, inspections, and test records;
- Be responsible for the availability, positioning, and fleet management of isotainers to meet required supply volumes;
- Ensure isotainers are fit for purpose, clean, and free from contamination prior to loading.

The bidder shall bear all responsibilities related to isotainer leasing, maintenance, repositioning, and operational readiness.

2.4 Logistics and Transportation

The bidder shall be responsible for all logistics associated with the movement of LPG from source to the designated delivery point. This includes, but is not limited to:

- Filling of isotainers at source facilities;
- Transportation via road, rail, and/or marine routes;
- Management of import logistics, including shipping arrangements, customs clearance, and port handling (where applicable);
- Coordination with port authorities and terminal operations.

The bidder must demonstrate a clear and executable logistics plan, including transit times, routing, and contingency measures.

2.5 Delivery and Handover

Delivery shall occur at PetroSA's Mossel Bay terminal as defined in the commercial terms.

The bidder shall:

- Ensure timely and reliable delivery in accordance with agreed schedules;
- Provide advance delivery notifications and shipment documentation;
- Ensure safe transfer of LPG from isotainers in accordance with approved procedures;
- Minimise product losses and prevent venting during handling and offloading.

Title transfer and risk transfer points shall be clearly defined in the bidder's commercial proposal.

2.6 Supply Volumes and Flexibility

The bidder shall be capable of supporting the following indicative supply profile:

- Initial ramp-up volumes of approximately 2,000 – 3,000 metric tons per month;
- Progressive increase to 5,000 – 8,000 metric tons per month, subject to demand.

The bidder must demonstrate the ability to scale supply volumes and accommodate variability in demand without compromising supply reliability.

2.7 Health, Safety, and Environmental (HSE) Compliance

The bidder shall comply with all applicable health, safety, environmental, and regulatory requirements, including:

- South African legislation and standards;
- Port of Mossel Bay requirements;
- International handling and transport regulations for LPG.

The bidder shall provide:

- Detailed risk assessments;
- Method statements for handling and offloading;
- Emergency response procedures;
- Evidence of safety performance and incident history.

No operations shall commence without full HSE alignment and approval.

2.8 Regulatory and Port Compliance

The bidder shall ensure full compliance with all regulatory and port authority requirements applicable to the importation, handling, and transportation of LPG.

This includes:

- Securing all necessary permits and approvals;
- Compliance with port operational protocols;
- Alignment with any conditions imposed by the Port of Mossel Bay.

Failure to meet regulatory or port requirements shall constitute non-performance under the contract.

2.9 Reporting and Performance Monitoring

The bidder shall provide ongoing reporting, including:

- Monthly supply schedules (planned vs actual);
- Delivery performance metrics;
- Incident and deviation reports;
- Inventory and shipment tracking data.

PetroSA reserves the right to monitor performance against agreed service levels and to implement corrective measures where required.

2.10 Exclusions (To Be Clarified by Bidder)

Bidders must explicitly state any exclusions, assumptions, or limitations within their proposed scope. Any items not expressly included shall be deemed included unless clearly stated otherwise.

2.11 Optional Value-Added Services

Bidders may propose additional services, including but not limited to:

- Storage solutions;
- Supply optimisation strategies;
- Risk-sharing mechanisms;
- Infrastructure support initiatives.

Such proposals must be clearly separated from the base scope and priced accordingly.

3. TECHNICAL AND COMPLIANCE CRITERIA

3.1 Mandatory Compliance Requirement

This section defines the minimum technical, operational, and compliance requirements for participation in this tender.

Bidders must demonstrate full compliance with all requirements contained herein. Failure to meet any mandatory requirement shall result in disqualification from further evaluation.

All supporting documentation must be submitted as part of the tender response. PetroSA reserves the right to verify all information provided.

3.2 LPG Product Specification

The bidder shall supply LPG that complies with applicable South African standards, including but not limited to SANS specifications for commercial LPG.

The bidder must provide:

- Detailed product specification sheets;
- Certificate of Analysis (CoA) for each shipment;
- Confirmation of propane/butane composition;
- Limits for sulphur content, moisture, and contaminants.

Non-compliant product will be rejected at the bidder's cost.

3.3 Isotainer Technical Requirements

All isotainers proposed must meet the following minimum requirements:

- Compliance with ISO tank standards and UN T75 or equivalent;
- Certification in accordance with IMDG Code requirements for transport of dangerous goods;
- Valid pressure vessel certification and periodic inspection records;
- Typical capacity range of 20–24 metric tons per unit;
- Fitted with:
 - Pressure relief valves;
 - Emergency shut-off systems;
 - Clearly marked hazard identification.

The bidder must submit:

- Isotainer specifications;
- Inspection and certification records;
- Fleet size and availability details.

PetroSA reserves the right to physically inspect isotainers prior to contract award.

3.4 Logistics and Operational Capability

Bidders must demonstrate proven capability to execute isotainer-based LPG logistics, including:

- Filling operations at approved facilities;
- Multimodal transport capability (marine, road, and/or rail);
- Experience in handling LPG imports (where applicable);
- Ability to manage end-to-end logistics without reliance on undefined third parties.

The bidder must provide:

- A detailed logistics execution plan;
- Typical transit times and routing;
- Evidence of prior similar operations (minimum of 2–3 reference projects).

Bidders without demonstrated isotainer LPG logistics experience will be disqualified.

3.5 Offloading and Terminal Compatibility

The bidder must demonstrate that their proposed solution is compatible with PetroSA's Mossel Bay terminal configuration.

This includes:

- Detailed offloading procedures;
- Identification of required equipment and interfaces;
- Confirmation of safe transfer methodology;
- Measures to prevent product loss, venting, or safety incidents.

Where specialised equipment is required, the bidder must specify whether it will be provided by the bidder or PetroSA.

3.6 Health, Safety, and Environmental (HSE) Requirements

Bidders must demonstrate full compliance with all applicable HSE requirements, including:

- South African legislation and standards;
- Port of Mossel Bay safety requirements;
- International LPG handling and transport standards.

The bidder must submit:

- HSE policy and management system documentation;
- Risk assessments and method statements;
- Emergency response and incident management plans;
- Record of safety performance (including incident history for the past 3–5 years).

PetroSA reserves the right to conduct HSE audits prior to award.

3.7 Regulatory and Legal Compliance

The bidder shall demonstrate compliance with all regulatory requirements applicable to LPG supply and importation, including:

- Applicable permits and licences for handling and transport of LPG;
- Customs and importation compliance (where applicable);
- Compliance with port authority requirements.

The bidder must confirm its ability to secure all required approvals prior to commencement of operations.

The bidder shall ensure full compliance with all applicable regulations governing the transportation of hazardous goods by road within South Africa.

This includes, but is not limited to:

- Compliance with national road traffic regulations for the transport of dangerous goods;
- Securing all necessary permits and route approvals from relevant authorities, including the South African National Roads Agency Limited (SANRAL), where applicable;
- Ensuring that all transport vehicles, operators, and drivers are appropriately licensed, certified, and compliant with hazardous goods transport requirements.

Failure to comply with these requirements shall constitute non-performance under the contract.

3.8 Supply Capacity and Reliability

Bidders must demonstrate the ability to meet the required supply volumes, including:

- Availability of LPG supply sources;
- Access to sufficient isotainer fleet capacity;
- Ability to scale supply in line with PetroSA demand requirements.

The bidder must provide:

- Evidence of supply agreements or access to product;
- Historical supply performance data;
- Contingency plans in the event of supply disruption.

3.9 Experience and Track Record

Bidders must demonstrate relevant experience in LPG supply and isotainer operations.

Minimum requirements:

- At least 3–5 years' experience in LPG supply and logistics;
- Proven track record in isotainer-based LPG operations;
- References from at least two (2) comparable projects or clients.

PetroSA reserves the right to contact references provided.

3.10 Financial and Operational Standing

Bidders must demonstrate financial and operational capability to execute the contract, including:

- Audited financial statements (minimum of 2–3 years);
- Evidence of financial capacity to support supply operations;
- Organisational structure and key personnel.

3.11 Mandatory Documentation Checklist

Bidders must submit the following:

- Company profile and registration documents;
- LPG product specifications and certifications;
- Isotainer technical documentation and certifications;
- Logistics execution plan;
- HSE documentation;
- Regulatory compliance documentation;
- References and track record evidence;
- Financial statements.

Incomplete submissions will be deemed non-compliant.

3.12 Right of Verification

PetroSA reserves the right to:

- Verify all information provided by bidders;
- Conduct site visits and audits;
- Request additional information where required.

Failure to satisfactorily verify submitted information may result in disqualification.

4. COMMERCIAL AND PRICING STRUCTURE

4.1 Pricing Philosophy

PetroSA requires a fully transparent and disaggregated pricing structure to enable accurate evaluation of the total landed cost of LPG supplied to Mossel Bay.

Bidders are required to submit pricing on a clearly defined cost build-up basis. Lump-sum or non-transparent pricing submissions will not be considered.

All pricing must be presented in both USD/MT and ZAR/MT (where applicable), with clearly stated exchange rate assumptions.

4.2 Mandatory Pricing Breakdown

Bidders must submit pricing using the following structure:

A. LPG Product Cost

- Pricing basis (e.g. Saudi Aramco Contract Price – CP, or alternative benchmark);
- Base price in USD/MT;
- Premium or discount to benchmark (USD/MT);
- Final product price (USD/MT).

Bidders must clearly state:

- Pricing index;
- Timing of price determination;
- Any price adjustment mechanisms.

B. International Freight (if applicable)

- Sea freight cost (USD/MT);
- Port of loading charges;
- Shipping-related costs.

C. Local Logistics and Handling

- Road/rail transport costs;
- Port handling and terminal fees;
- Loading/unloading costs;
- Customs clearance and import costs (if applicable).

All cost components must be itemised.

D. Isotainer Costs

- Isotainer leasing cost (USD/MT or USD/day);
- Fleet management and repositioning costs;
- Cleaning, inspection, and maintenance costs.

E. Total Landed Cost

The bidder must provide a clearly calculated:

Delivered price to Mossel Bay (USD/MT and ZAR/MT)

This must represent the **all-in cost**, inclusive of all components listed above.

F. Commercial Terms

Bidders must clearly specify:

- Incoterms (e.g. DAP, CIF, FOB);
- Payment terms;
- Credit terms;
- Currency of payment;
- Price validity period.

G. Price Adjustment Mechanism

Bidders must define:

- Frequency of price adjustments (e.g. monthly CP adjustment);
- Treatment of exchange rate fluctuations;
- Treatment of logistics cost changes.

4.3 Pricing Scenarios (MANDATORY)

Bidders are required to submit pricing under the following scenarios:

1. **Delivered (DAP Mossel Bay)** – Full end-to-end responsibility
2. **CIF Port + Local Delivery**

Each scenario must be fully priced and comparable.

4.4 Volume-Based Pricing

Bidders must provide pricing sensitivity based on:

- 2,000 MT/month
- 5,000 MT/month
- 8,000 MT/month

Indicating any economies of scale or cost reductions.

4.5 Cost Transparency Requirement

PetroSA requires full visibility of all cost components. The following will not be accepted:

- Bundled or aggregated pricing without breakdown;
- Undefined “handling fees” or “administration costs”;
- Hidden margins within logistics components.

PetroSA reserves the right to request further cost justification.

4.6 Currency and Exchange Rate Assumptions

Bidders must:

- Clearly state exchange rate assumptions used;
- Indicate exposure to currency fluctuations;
- Propose mechanisms to manage exchange rate risk.

4.7 Taxes and Duties

Bidders must clearly state:

- Applicable taxes, duties, and levies;
- Whether pricing is inclusive or exclusive of such costs.

4.8 Pricing Validity

Bidders must indicate:

- Validity period of submitted pricing;
- Lead time required for price adjustments.

4.9 Evaluation Basis

Pricing will be evaluated primarily on:

- Total landed cost (ZAR/MT);
- Transparency and completeness of cost breakdown;
- Commercial competitiveness across scenarios;
- Stability and predictability of pricing structure.

4.10 Right to Clarification

PetroSA reserves the right to:

- Request detailed cost breakdowns;

- Conduct commercial clarification sessions;
- Reject pricing deemed unrealistic or non-compliant.

5. TENDER SUBMISSION REQUIREMENTS

5.1 Submission Deadline

All tender submissions must be received by PetroSA as per online tender closing date and time.

5.2 Submission Format

Bidders are required to submit:

- A complete technical proposal;
- A completed pricing template (Excel format provided);
- All supporting documentation as required in this tender.

Submissions must be provided in both:

- **PDF format (signed documents);** and
- **Editable format (Excel for pricing schedules)**

5.3 Submission Method

Submissions must be delivered online (PetroSA e-Procurement System)

5.4 Non-Responsive Submissions

The following will result in disqualification:

- Late submissions;
- Incomplete submissions;
- Failure to use the prescribed pricing template;
- Non-compliance with mandatory technical requirements.

6. PORT AND REGULATORY DEPENDENCIES

Bidders are advised that the execution of this scope is dependent on alignment with the operational, safety, and regulatory requirements of the Port of Mossel Bay and other relevant authorities.

The successful bidder shall:

- Ensure full compliance with all port requirements;

- Support engagement processes where required;
- Adapt operational plans to align with port constraints and approvals.

PetroSA shall not be held liable for delays arising from regulatory or port approval processes.

Bidders must therefore incorporate such considerations into their logistics planning and pricing submissions.