



## TRANSNET PORT TERMINALS

### Scope of Work

#### TRANSNET PORT TERMINALS

DESCRIPTION: THE PROVISION OF PORT OPERATING ASSET REVALUATION SERVICES FOR TRANSNET SOC LTD (REG. NO. 1990/000900/30) OPERATING AS TRANSNET PORT TERMINALS (HEREINAFTER REFERRED TO AS "TPT") AT THE PORT OF DURBAN, PORT OF RICHARDS BAY, PORT OF EAST LONDON, PORT OF PORT ELIZABETH, PORT OF NGQURA, PORT OF CAPE TOWN AND PORT OF SALDANHA

### REVISION 02:

## 1. INTRODUCTION

Transnet Port Terminals (TPT) is a division of Transnet Limited and is responsible for operating terminals at Transnet's Ports across South Africa. In terms of Transnet's Accounting Policy, all Port Operating Assets require an independent valuation every three years with an index valuation in the intervening periods. The last time an independent Asset Revaluation exercise was conducted at TPT was at the end of the March 2023 financial year.

For the March 2025 financial year, the services of a valuation expert are required for the review of the process followed by TPT, review and recommendations of the inputs and provision of final valuation results taking the condition of the assets into account. The conditional assessment and remaining useful life will be performed internally by the TPT Engineering team, supported by Finance.

Port Operating Assets include (but are not limited to) those assets highlighted in the attached Annexure "A". The assets under review are situated in seven regions (ports).

### 1.1 The approximate number of Assets / Components per region is as follows:

No.	Port	Approx. No. of Assets / Components	Terminal
1.	Durban	849	Durban Container Terminal (Pier 2)
			Durban Container Terminal (Pier 1)
			Durban Multi-Purpose Terminal (MPT)
			Maydon Wharf Multi-Purpose Terminal (MPT)
			Durban Agri-Bulk Terminal
2.	Richards Bay	2423	RCB Multi-Purpose Terminal (MPT)
			Dry Bulk Terminal
3.	East London	49	Multi-Purpose Terminal
4.	Port Elizabeth	291	P.E Container Terminal
			P.E Multi-Purpose Terminal (MPT)
5.	Ngqura	291	Ngqura Container Terminal
6.	Cape Town	324	Cape Town Container Terminal
			Cape Town Multi-Purpose Terminal (MPT)
7.	Saldanha Bay	697	Iron Ore Terminal
			Saldanha Multi-Purpose Terminal (MPT)

## **2. DELIVERABLES FOR THE REQUEST FOR QUOTATION PROCESS**

- 2.1. The Respondent shall provide a project plan that will result in the asset fair valuation being completed with a draft report required to be handed over to the TPT Project Manager by 10 March 2025 and a final report handed to the TPT Project Manager, by 02 April 2025.
- 2.2. The Respondent shall provide the fair valuation report of all assets listed in two phases:
  - 2.2.1. The first report will be based on the condition of assets and remaining useful provided by TPT during the exercise prior to 31 March 2025.
  - 2.2.2. The final report will be based on any changes to the condition of assets and remaining useful life provided by TPT as at 31 March 2025.
- 2.3. The Respondent shall review the Fair Valuation approach adopted by TPT and provide recommendations and shortcomings in the Valuation report.
- 2.4. The Respondent shall provide TPT with a Company Profile and Project Management Structure, confirm availability of the resources complement and ensure that they provide TPT with the correct calibre of staff to conduct the Valuation, taking into account the following:
  - 2.4.1. Team members years of experience and qualification (Finance and Engineering)
  - 2.4.2. Previous work conducted with respect to valuation of assets assessed (minimum Net book Value of R7 billion)
  - 2.4.3. Size and nature of previous contracts
  - 2.4.4. CV's of team members to be made available on award of business
- 2.5. Organisations and proposed revaluation teams must include key individuals who belong to the following professional bodies:
  - 2.5.1. Engineering Council of South Africa (Pr Eng – Mechanical, Structural & Electrical) or equivalent International Engineering qualification
  - 2.5.2. South African Institute of Chartered Accountants ( CA (SA) )
- 2.6. The Respondent to provide a minimum of two written and signed reference letters not older than two (2) years, showing proven track record in asset revaluations.
- 2.7. All the information used by the Respondent in this project must be handed over to TPT and kept for future use.

## **3. ADDITIONAL INFORMATION**

- 3.1 Some assets are split into components, to comply with International Financial Reporting Standards. The details of such components are included in Annexure A.
- 3.2 The successful respondent shall attend a briefing session with Management prior to commencement as well as after completion of the Valuation before issuing of the final report.
- 3.3 The Respondent must be available to respond to audit related queries.

#### **4. REVALUATION PROCESS DELIVERABLES**

- 4.1 The Respondent must ensure compliance with International Financial Reporting Standards (IFRS) when conducting the assessment.
- 4.2 The Respondent to utilise the TPT condition matrix in their calculations when providing a fair valuation per asset.
- 4.3 Provide the original design life, the expired life and the latest assessment of the remaining useful lives of assets and recommend any potential changes to the remaining useful life.
- 4.4 Make adjustments to the Fair Valuation of assets in cases of any potential obsolescence or where assets are out of service.
- 4.5 Review and provide recommendations to adjust the final Fair Valuation where such valuations are not reflective of assets of a similar condition in the open market.
- 4.6 The Respondent shall provide the replacement cost new as at 31 March 2025 for all assets and components as per Annexure A.
- 4.7 Provide a fair valuation of the assets based on the cost approach on the above of similar assets using replacement cost of a modern equivalent asset value in determining the fair value of the assets as at 31 March 2025.
- 4.8 All calculations must be electronically handed over to TPT with formulas and must be supplemented with an assumption data book and references.
- 4.9 A valuation is required per asset component, which will be populated in the Fixed Asset Revaluation template.
- 4.10 Evidence to support valuation results and methodologies used in the process.
- 4.11 The Respondent may recommend any improvements to TPT's existing asset management techniques.

#### **5. REPORT OUTPUTS**

- 5.1. List of Port Operating Assets, with their asset number and sub-number, description, final replacement cost new, normal useful life, condition grading, final remaining useful life, depreciation profile, final depreciation factor, obsolescence factor and new valuation amount per component as reflected in the TPT fixed asset register, as at March 2025.
- 5.2. Reports in two phases as described in 2.2 above.

#### **6. THE OBLIGATIONS OF TPT**

- 6.1 Provide the list of assets and sub-assets on the fixed asset register and valuation template.
- 6.2 Provide the Respondent with the condition factor and the remaining useful life of the assets as reflected on the fixed assets register.

- 6.3 Ensure that the Terminal Engineering and Finance personnel are available to assist the Respondent with any queries.
- 6.4 Provide any other information which is reasonably expected for them to complete the task.
- 6.5 Sign-off the results with the Respondent before preparation of the report.