

CONSULTING SERVICES:

PROVISION OF TECHNICAL, LEGAL AND COMMERCIAL ADVICE FOR:

RICHARDS BAY LIQUEFIED NATURAL GAS DEVELOPMENT

1. BACKGROUND

- 1.1. Transnet National Ports Authority (TNPA) issued a Request for Proposal (RFP) for the appointment of a terminal operator to operate and maintain Port and common user infrastructure. Common user infrastructure that will be financed, designed, and constructed by the TNPA. The RFP is also calling for interested parties to design, develop, finance, construct, operate, maintain terminal infrastructure and terminal equipment required for the handling of liquified natural gas at South Dunes in the Port of Richards Bay for a minimum period of 25 (twenty-five) years;
- 1.2. The intention is for the successful entity to invest in the Terminal Infrastructure and also provide operation and maintenance services on the Port and Common User Infrastructure. TNPA will invest in the Port and Common User Infrastructure, these include the berth, associated pipelines, and bulk services;
- 1.3. The Terminal Operator will be expected to optimally operate the LNG facility and associated infrastructure for a period of time, including the Terminal Infrastructure that will be transferred to TNPA;
- 1.4. TNPA hereby seeks to procure the services of an experienced LNG Transactional Advisor with the necessary experience and knowledge to provide support to the TNPA for a fully managed and well-executed procurement process;
- 1.5. The Transaction Advisor must demonstrate experience in LNG management and expertise in advisory services for the designing, planning, scheduling, permitting, installation, and interconnection of an LNG system. Preference is towards well-experienced professionals who have served within the South African gas energy industry;

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- 1.6. The Transaction Advisor will support in the RFP adjudication phase (review and due diligence of the qualifying bids). The scope of work is highlighted in Section 3 below;
- 1.7. The Transaction Advisor shall be required to sign a Confidentially Agreement; and
- 1.8. The Transaction Advisor shall be required to sign a Declaration of Interest indicating that they have no interest or involvement with any bids of the Richards Bay LNG RFP and/or related assignment. Kindly note that the TNPA Transaction Advisor shall not and cannot work for any bidder to the RFP at the same time and for the same/related assignment.

2. INVITATION TO SUBMIT A QUOTATION

- 2.1. Service Providers are hereby invited to tender for the provision of Technical, Legal and Commercial Advisory Services for the Richards Bay Liquid Natural Gas (LNG) Development;
- 2.2. The Employer's objective is to enter into a Professional Services Contract with a Service Provider to provide technical, legal, and commercial advice as well as services for an LNG Terminal Development, which may include but not limited to:
 - a) Due diligence of the qualifying and evaluated bids and provide relevant due diligence reports;
 - b) Providing technical, legal and commercial tender evaluation reports to support the TNPA adjudicating teams which, amongst others, a focus on:
 - i. Infrastructure designs;
 - ii. Operational Guidelines;
 - iii. Utilities designs;
 - iv. Risk Assessment;
 - v. Functionality Assessment;
 - vi. Track Record;
 - vii. Key personnel; and
 - viii. Safety, Health, Environmental, and Quality Assessment.
 - c) Providing Regulatory and Legislative compliance advice.

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2.3. It is anticipated that the above scope of works shall cover, but not be limited, to the following typical LNG facilities / applications:

- a) LNG Berths;
- b) LNG Terminals;
- c) LNG tank farms, storage and transmission facilities / pipelines;
- d) Floating Storage Units (FSU);
- e) Floating Storage and Regasification Units (FSRU);
- f) LNG Supply and Demand responses;
- g) Proposed commercial responses from the Bidders;
- h) Financial Analysis of the Bids received; and
- i) Water, electricity, and other related utilities infrastructure.

2.4. The Bid shall be submitted in the form of a technical proposal incorporating the scope of works in this bid documents, including the completion of this bid document in full.

3. PROJECT SPECIFICATIONS

3.1. Scope of works

The Transaction Advisor shall scrutinize the TNPA work and bid responses (RFP) against the following minimum criteria, but not limited to:

3.1.1. Berth and Infrastructure Designs

Ensure that design requirements meet the minimum standards required for global LNG facilities, and TNPA specific requirements. This will be for all LNG-related activities on land and on water, and shall include but is not limited to the following as a minimum:

- a) Marine infrastructure requirements;
- b) Infrastructure requirements for LNG Terminals, pipelines, regasification facilities, and storage areas; and
- c) Any other associated LNG infrastructure designs.

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3.1.2. Operational Guidelines

Ensure that operational guidelines in terms of the Ports Act, Gas Act, etc., for LNG Projects are well covered and indicated. Operational guidelines shall cover:

- a) LNG importation;
- b) LNG transfer from ship to ship and ship to truck;
- c) Regasification of LNG on water and / or land;
- d) Fire systems (pipelines, water pressure, equipment, etc.);
- e) Emergency evacuation;
- f) Navigational approaches;
- g) Tug on standby, docking/alongside, sailing;

3.1.3. Regulation, Legislation, Standards Framework

Ensure that all local municipal, national and international regulations, legislation and standards are considered, including all mandatory occupational health and safety legislation, as well as environmental legislation requirements.

3.1.4. Utilities Designs

Ensure that detailed designs for the utilities are suitable and adequate to address the project's and the port's utilities designs and requirements respectively. The designs should include but not be limited to the following criteria / topics as a minimum:

- a) Potable water;
- b) Firefighting infrastructure;
- c) Electricity requirements, and evacuation where required;
- d) Industrial gases; and
- e) Sewer network.

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3.1.5. Risk Assessment

Ensure that risk assessments and hazard analysis studies are considered. The minimum of a risk and hazard study should include but not be limited to the following criteria / topics:

- a) Impacts to port operations and port safety;
- b) Impacts to existing and future planned port activities/business;
- c) Impacts to the environment;
- d) Impacts to Navigation, such as anchorage, port limits, approaches, etc.;
- e) Exclusion Zone determination analysis and its impacts;
- f) Recommended preventative and mitigating measures (i.e., barriers/controls) to address all risks identified; and
- g) Allowable and recommended risk acceptance to be considered.

3.1.6. LNG Supply and Demand responses

Ensure that the LNG supply and demand responses are aligned with the market's requirements, and that they would be adequate to support the project.

3.1.7. Proposed commercial responses from the Bidders

Ensure that commercial responses from the bidders are supported by the information provided, and that TNPA would be able to receive commensurate returns from the project for the opportunity that it is providing to the market. The commercial terms provided should also be aligned with international best practises for similar projects.

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3.1.8. Financial Analysis of the Bids received

Assist TNPA in the financial analysis aspect of the bid evaluation by doing their own analysis and providing a report of that analysis.

3.1.9. Functionality Assessment

Assisting TNPA to review the functionality assessment of the proposals and provide TNPA with a detailed report on how the functionality submissions fair with the RFP requirements.

3.1.10. Track Record

Assisting TNPA to review the track record submissions of the proposals and provide TNPA with a detailed report on how those track records submissions fair with the RFP requirements.

3.1.11. Key Personnel

Assisting TNPA to review the key personnel submissions of the proposals and provide TNPA with a detailed report on how those key personnel submissions fair with the RFP requirements.

3.2. Communication

3.2.1. All communication and instructions shall be via email or letter; and

3.2.2. All verbal communication and instructions shall be confirmed in writing via email or letter.

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3.3. Assignment and subcontracting

3.3.1. If the Contractor has sub-contracted the designated work, TNPA requires the Contractor to notify TNPA of any such appointments and to ensure that the subcontractor complies with all conditions as stated in this contract; and

3.3.2. The main contractor is ultimately responsible for all terms and conditions as stated in this contract and under no circumstances will any responsibility be transferred to the sub-contractor.

4. COMPLIANCE

4.1. The Contractor must comply and ensure that the operator complies with the Occupational Health and Safety, (Act 85 of 1993) and all applicable legislation and Regulations, the National Road Traffic Act, (Act 93 Of 1996) and all applicable legislation and Regulations, the National Environment Management Act, (Act 108 of 1998) and all applicable legislation and Regulations, industrial agreements, registered workplace agreements, the Safety, Health and Environment (SHE) requirements and lawful directions of TNPA.

5. LEGAL MATERS

5.1. All data provided to the Service Provider during the Project is the property of Transnet National Ports Authority;

5.2. No sharing, copying, or use of the data for personal gain will be allowed without the written approval of TNPA; and

5.3. The appointed Transaction Advisor will be required to enter into a Non-Disclosure Agreement (NDA) with TNPA and will also need to declare that they are not associated with any of the current Richards Bay LNG RFI bidders.

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6. BILL OF QUANTITIES

The Bill of Quantities are based on the scope of works the TNPA requires for the successful execution of the Richards Bay LNG RFP. The Respondent will make its own determination with regards to the size and experience required at the various stages. It needs to be emphasised though that TNPA should be provided with the best possible advice at all the relevant stages, and thus the costing should be made at an appropriate level by each bidder.

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7. SIGN OFF AND RECOMMENDATION OF PROJECT SPECIFICATIONS

It is hereby recommended that this Project Specifications for the Provision of Technical Advice and Services for Liquid Natural Gas for Transnet National Ports Authority is supported for going out to market on a Request for Quotation (RFQ).

Linda Myeza

**Sector Specialist: Oil
and Gas**



Signature

10 August 2023

Date

Tandokazi Nquma-Moyo

**Executive Manager:
Utilities Development**



Signature

10 August 2023

Date

Supported by:

Mfundo Piti



**Executive Manager:
New Business
Development**

Signature

10/08/2023

Date