

TRANSNET SOC Ltd
ACTING THROUGH ITS OPERATING DIVISION
TRANSNET NATIONAL PORTS AUTHORITY
("TNPA")

REQUEST FOR INFORMATION ("RFI") ON POSSIBLE LIQUID BULK COMMODITIES TO BE HANDLED AT THE SOUTH DUNES PRECINCT IN THE PORT OF RICHARDS BAY

December 2022

Information Request Description	Request for Information on possible Liquid Bulk Commodities to be handled at the South Dunes Precinct in the Port of Richards Bay, Province of Kwa-Zulu Natal.
RFI Number	TNPA/KZN-LH/2022/12/002/RFI
Issue Date	06 December 2022
Bid Fee and Banking Details	Not Applicable – Issued Free
Non-Compulsory Briefing Session	14 December 2022 @ 10h00 (CAT)
Requests for Clarification Close	27 January 2023 at 16h00pm (CAT)
RFI Closing Date	28 February 2023 at 16h00pm (CAT)

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1. Disclaimer

Whilst all reasonable care has been taken in preparing this Request for Information (RFI), the information herein contained has been prepared by the Transnet National Ports Authority ("TNPA") in good faith, based on information obtained from various sources. Neither TNPA nor any of its advisors accept any liability or responsibility for the adequacy, accuracy, or completeness of any of the information or opinions stated herein.

Save where expressly stipulated otherwise, no representation or warranty (whether express or implied) is hereby given by TNPA or any of its officers, employees, servants, agents, advisors, or any other person with respect to the information or opinions contained in this RFI.

TNPA reserves the right to amend, modify or withdraw this RFI in whole or in part, and/or to terminate or amend the plans for the introduction of a concession for the proposed Richards Bay Liquid Bulk Handling Terminal(s) at the South Dunes Precinct, at any time, without prior notice and without liability to compensate or reimburse any person pursuant to such amendment, modification, withdrawal, or termination.

The terms and conditions set out in this RFI are stipulated for the express benefit of. Save as expressly stated to the contrary, the terms and conditions herein set out may be waived at TNPA's sole discretion at any time.

TNPA reserves the right to adopt any proposal made by any person, juristic or otherwise, responding to this RFI, at any time and to include such proposal in any documents which may or may not be made available at any stage to any other persons responding to this RFI, without the obligation or liability to pay any compensation or reimbursement of any nature to any person pursuant to such adoption.

This RFI is provided solely for the purpose set out herein and is not intended to form any part or basis of any investment decisions by any of the Respondents, their shareholders, members or lenders.

Each person that accesses this RFI must make its own independent assessment of the information provided, taking such advice (whether professional or otherwise) as it deems necessary.

No Respondent, its shareholders, members, contractors, suppliers or lenders shall have any claim against TNPA, its officers, employees, servants, agents or Transaction Advisors, under any circumstances whatsoever, arising out of any matter relating to this RFI of any nature whatsoever, including where such claim is based on any act or omission by TNPA, or any of its officers, employees, servants, agents or Transaction Advisors of any nature whatsoever, or where such claim is based on the content of, or any omission from, this RFI of any nature whatsoever.

2. Definitions and Interpretation

In this RFI, except as otherwise defined herein, the following terms shall have the following meanings:

- 2.1 **"Concession"** - the proposed design, development, construction, financing, operation, maintenance and transfer of the South Dunes Liquid Bulk in the Port of Richards Bay that may be granted by TNPA to the Preferred Bidder pursuant to a Request for Proposal that may be issued in terms of section 56 of the National Ports Act 12 of 2005;
- 2.2 **"Concessionaire"** – the legal entity who is awarded the right, by the TNPA, to undertake the design, development, construction, financing, operation, maintenance and transfer of the South Dunes Liquid Bulk in the Port of Richards Bay and with whom, the TNPA will be concluding a Terminal Operator Agreement;
- 2.3 **"National Ports Act"** - the National Ports Act No. 12 of 2005;
- 2.4 **"NERSA"** – National Energy Regulator of South Africa;

- 2.5 **"Port"** - the Port of Richards Bay;
- 2.6 **"Project Officer"** - the person appointed by TNPA as the project officer for the purpose of the administration of the process contemplated in this document;
- 2.7 **"Respondent"** - any entity or consortium that submits an RFI, responding to this document;
- 2.8 **"RFI"** - this Request for Information document to solicit information from the market relating to the planned Project in relation to the Liquid Bulk Terminal at the Richards Bay port;
- 2.9 **"RFI Response"** - the submission made by an entity or organization in response to this Document, together with all necessary supporting documentation referred to in paragraph 7 of this RFI;
- 2.10 **"RFP"** - the request for proposals contemplated to be issued in terms of section 56 of the National Ports Act for a Concession of a Liquid Bulk Terminal in the port;
- 2.11 **"Site"** - the land space, within the Port on which the Terminal is to be located in terms of the Concession as more fully described in paragraph 5.1 of this RFI;
- 2.12 **"South Dunes Precinct"** – As depicted in **figure 2: Port of Richards Bay Master Plan** Where Liquid Bulk commodities will be handled
- 2.13 **"Transnet National Ports Authority (TNPA)"** - An operating division of Transnet responsible for the safe, effective, and efficient economic functioning of the national port system, which it manages in a landlord capacity and who provides port infrastructure and marine services at the eight commercial seaports in South Africa in accordance with the provisions of the National Ports Act;
- 2.14 **"Transnet"** - Transnet SOC Ltd, registration number 1990/000900/30. A state-owned company under the Department of Public Enterprises

incorporated in the Republic of South Africa and which is the custodian of South Africa's freight logistics public infrastructure, which supports economic growth and development by providing efficient rail, port and pipeline infrastructure and services.

3. Background

3.1 Transnet National Ports Authority

3.1.1. Transnet National Ports Authority (National Ports Authority or TNPA), an operating division of Transnet SOC Ltd, (registration number 1990/000900/30) was established through the National Ports Act, No. 12 of 2005 ("the Ports Act") to be a landlord port responsible for the safe, efficient, and economic functioning of the national ports system, which it manages, controls, and administers on behalf of the State;

3.1.2. Section 11 of the Ports Act prescribes the core functions of TNPA as follows:

- a) To plan, provide, maintain, and improve port infrastructure;
- b) To promote the use, improvement and development of ports and control land use within the ports, having the power to lease port land under conditions that it determines;
- c) To promote greater representation, in particular to increase participation in port operations of historically disadvantaged people;
- d) To provide or arrange marine-related services, i.e., pilotage services, tug assistance, berthing services, dredging and hydrographic services;
- e) To ensure that adequate, affordable, and efficient port services and facilities are provided, including regulatory oversight of all port activities; and
- f) To provide aids to assist the navigation of vessels within port limits and along the coast.

3.1.3. At an operational level, TNPA occupies a strategic position in the country's transport logistics chain, managing South Africa's eight commercial seaports, namely Cape Town, Richards Bay, East London, Mossel Bay, Ngqura, Port Elizabeth, Durban, and Saldanha Bay as reflected in figure 1 below;

3.1.4. The ports under the control of the TNPA span the South African coastline, which measures approximately 2 800 km. TNPA's asset base consists of port land, basic port infrastructure and marine fleet at the eight (8) commercial ports. TNPA manages port land of approximately 43,4 million m² and about 750 leases across the port system;

3.1.5. Operating within the port industry, TNPA provides its services to port users, namely Handling Facility operators, shipping lines, shipping agents, cargo owners and the clearing and forwarding industry. TNPA also carries a distinctive feature of being self-sustaining, unlike most other landlord port authorities that rely on national or provincial governments for financial support.

National Port System

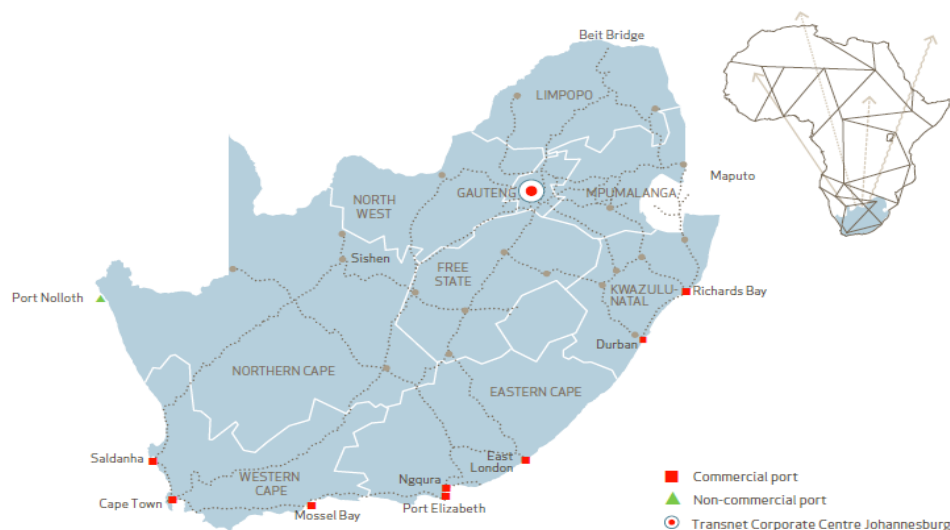


Figure 1: Southern African Commercial Ports

4. Port of Richards Bay Master Plan



Figure 2: Port of Richards Bay Master Plan Source: TNPA KZN Logistic Hub

4.1 The proposed Liquid Bulk sites within the South Dunes Precinct is aligned to the Master Plan for the Port of Richards Bay (Item Number 16a & 16b).

4.2 The proposed liquid bulk sites will have access to existing berths 208 and 209 and upon demand TNPA can prioritize the development of the proposed berth 210 to support the liquid bulk terminals as per the Port of Richards Bay Master Plan.

4.3 This RFI aims to provide TNPA the necessary information regarding various liquid bulk commodities that the market has an appetite to handle within the South Dunes Precinct.

4.4 The liquid bulk commodities that TNPA envisages suitable for the South Dunes Precinct include but not limited to the following:

- 4.4.1 Petroleum products (petrol, diesel, etc);
- 4.4.2 Fuel oils;
- 4.4.3 Jet fuel;
- 4.4.4 Liquefied Petroleum Gas (LPG);
- 4.4.5 Kerosene;
- 4.4.6 Chemicals (lubricants and solvents);
- 4.4.7 Waxes;
- 4.4.8 Bitumen;
- 4.4.9 Edible oils; and
- 4.4.10 Any other liquid bulk commodities excluding LNG.

Note: The Port of Richards Bay has accommodated for LNG on other sites within the South Dunes Precinct.

- 4.5 It is within this context that TNPA deems it prudent to issue this RFI to validate market appetite for procuring a Concession to undertake the handle of the commodities.
- 4.6 The proposed Liquid Bulk Terminals will, if developed, be in the form of a Concession in accordance with the terms and conditions to be set forth in a Liquid Bulk Terminal Operator Agreement to be entered into between the TNPA and a Concessionaire in accordance the National Ports Act. The selection of a Concession will be undertaken in accordance with a procedure, that is fair, equitable and competitive and cost effective;
- 4.7 The Concessionaire will undertake the Concession, which is based on a landlord model where the land and water space will continue to be owned and controlled by TNPA with the Terminal that will be developed thereon by the Concession being transferred to TNPA at the end of the Concession period.

5 The Proposed Liquid Bulk Sites Layout

5.1 The sites or land areas identified for the handling of liquid bulk commodities at the South Dunes Precinct in the Port of Richards Bay are indicated on the sites plan as shown below:

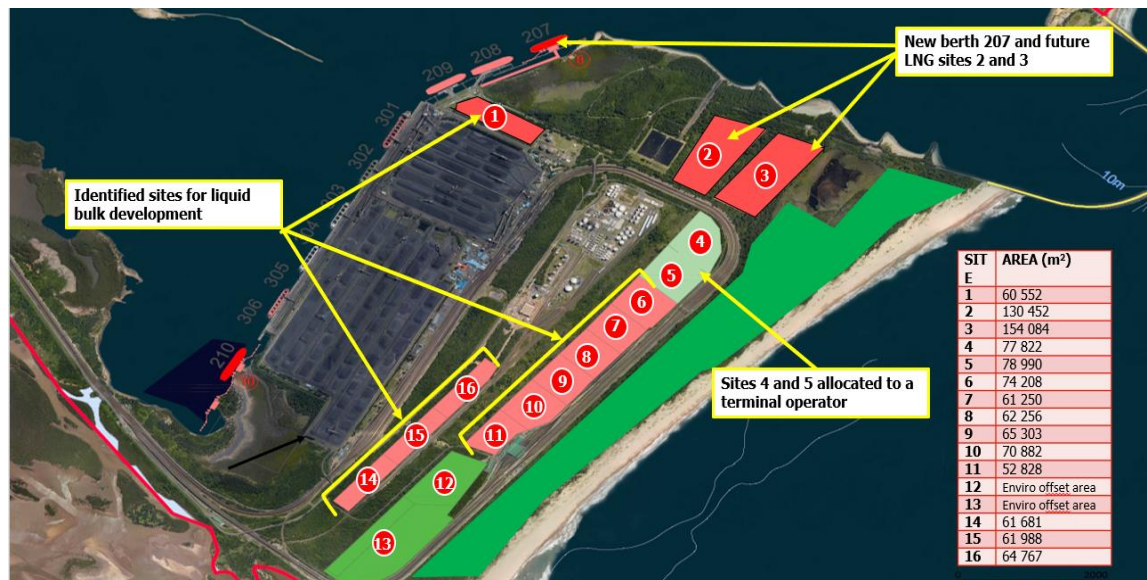


Figure 3: Identified sites for liquid bulk development

5.2 Respondents are to indicate their interests on required site/s and commodities that would be handled at those identified site/s.

5.3 TNPA will utilise the information provided by respondents in 5.2 above to plan for berth connectivity accordingly.

5.4 Please note that individual site areas are estimated; Transnet National Port Authority reserves the right to vary the extent of individual sites.

6 Request for Information

6.1 Objectives of the RFI

6.1.1 The objectives of this RFI are to confirm the extent of market demand for undertaking the Concession and to obtain specific information to implement the project.

6.1.2 TNPA intends, through this RFI to:

- a) Better understand the Respondents' liquid bulk cargo demand for the Port of Richards Bay and associated hinterland (national and international);
- b) Understand Respondents' appetite to handle liquid bulk such as petrol, diesel, jet fuel, chemicals, etc
- c) Understand Respondents maritime fleet size calling or planned at the Port of Richards Bay for liquid bulk cargo;
- d) Respondents view on implications on other South African ports terminals handling liquid bulk cargo;
- e) Understand market appetite for a Concession;
- f) Formulate the scope and extent of the Concession;
- g) Structure the RFP to ensure that it responds to market demand; and
- h) Determine the appropriate risk allocation between the TNPA and the Concessionaire in undertaking the Concession.

6.2 TNPA requests that all entities or companies that may wish to submit bids in response to a possible RFP in future, in respect to the Concession, to respond to this RFI in the manner and form herein specified. The submission of an RFI Response is not and will not be a compulsory requirement for responding to the RFP in future;

6.3 Respondents are to note the following:

- 6.3.1 TNPA is not prescriptive with regards to the proposed solution. The information gathered will assist in the event that it progresses to the RFP stage of the Project;

- 6.3.2 The Sites identified by the TNPA for the Concession, while preferred, is not definitive and Respondents are at liberty to submit detailed information on any alternative Sites that they deem more feasible to undertake the Concession;
- 6.3.3 In proposing a possible solution, Respondents should indicate the back of port requirements that in their view should be met regarding land, storage tanks and the pipeline connection points that may be required with rail, or road off-takers;
- 6.3.4 Respondents are requested to submit information in their responses to this RFI on how best the TNPA could package the Concession if it progresses to the RFP stage of the Project.
- 6.3.5 Respondents are requested to provide any other information in respect of their Project which they deem necessary to bring to TNPA's attention.

7 Information to be provided by the Respondent in its RFI Response

Respondents are required to submit the following information in the RFI Response, which information should include the information requested below together with supporting documentation in respect thereof.

7.1 Respondent's Company / Consortium Profile

- 7.1.1 The name of the Respondent, and its full registration details;
- 7.1.2 The name and contact details of the person appointed by the Respondent as its representative in the event that the Project Officer wishes to engage with the Respondent on any aspect of the RFI Response;

7.2 Liquid Bulk Market Analysis

7.2.1 Demand – Please provide detailed information on:

- a) What type of liquid bulk commodities and volumes likely to be handled by the Respondent at the South Dunes Precinct in relation to preferred sites as outlined in Table 1, with reference to inland, coastal, and cross-border demand?
- b) The potential scale of the Concession in terms of storage, for the envisaged Liquid Bulk commodities which will be required to service the demand;

7.2.2 Supply - Please provide detailed information on:

- a) The Respondent's origin and destination source of liquid bulk commodities and volumes;

7.3 The proposed Liquid Bulk Terminal Design

7.3.1 Please advise TNPA on the appropriate equipment, flow of operations including rail and road configuration;

7.3.2 Respondents are to indicate their interests on required site/s in the South Dunes Precinct as indicated in layout as per 5.1 above and commodities that would be handled at those site/s;

7.3.3 The Respondent's operating model for the conveyance of Liquid Bulk commodities to potential customers and users of the Liquid Bulk Terminal and related infrastructure;

7.3.4 What is the Respondent's projected capital investment in Liquid Bulk Terminal infrastructure required?

7.3.5 What are the projected timelines to operationalise land-based elements of the Liquid Bulk Terminal (road and rail)?

7.4 Commercial Transaction Structure

7.4.1 What is the expected tenure of the Concession to obtain the expected return on investment in relation to the project capital expenditure?

7.4.2 The Respondent is required to provide a general background on how the Respondent intends to finance the Project.

8 Format and Submission of RFI Responses

8.1 Submission of RFI Responses

8.1.1 The RFI Responses must be submitted to TNPA by no later than **28 February 2023** at 16h00pm (CAT).

8.1.2 RFI Responses reaching TNPA later than the date and time specified above may, in TNPA's sole discretion, not be considered by TNPA.

8.1.3 All costs incurred by a Respondent in connection with this RFI and the preparation of its responses hereto shall be borne by the Respondent.

8.1.4 The Respondent will not have to pay any monies to submit an RFI Response.

8.1.5 The Respondent is encouraged to submit any additional information that, in its view, would assist TNPA in the further development of the Concession and the introduction of the Liquid Bulk Terminal.

8.2 Copies of the RFI Response

8.2.1 Each RFI Response is required to be submitted electronically to TNPA by emailing of the entire RFI Response, and the documents contained therein to the email address below:

8.2.1.1 Emailed to: Richardsbayliquidbulkrfi@transnet.net

8.2.1.2 In Microsoft Word format, version 2007 or later, save where the document cannot be accessed by Microsoft Word, in which event it must be provided in a PDF format, or in Microsoft Excel format, version 2007 or later; and

8.2.1.3 Properly indexed, readable and capable of being opened.

8.3 Format of RFI Responses

8.3.1 The Respondent is requested to complete the RFI Response and provide all the information required in terms of this RFI and to address every item in paragraph 7.

8.3.2 All pages should be numbered consecutively from beginning to end and there should be an index to the entire RFI Response.

8.3.3 The RFI Response can be contained in more than one document and with annexures as the Respondent may consider appropriate to provide the information requested. All documents comprising the RFI Response must be visible from the index to the RFI.

8.4 Language of the RFI Response

8.4.1 The RFI Response and all documents forming part of it must be in English.

8.4.2 Any printed literature submitted with the RFI Response may be in another language so long as it is accompanied by an English translation (made by an accredited translator) of the entire document.

8.4.3 For the purpose of interpretation of the RFI Response, TNPA will rely on the English translation provided.

8.4.4 All correspondence and any other documentation and oral communication exchanged between the Respondent and TNPA shall be in English.

8.5 Signing of the RFI Response

8.5.1 The Respondent is requested to provide a signed letter with its RFI Response.

8.6 Further Information

8.6.1 TNPA reserves the right to seek additional information from the Respondent regarding its RFI Response, as it may, in its sole discretion, determine whether such information has been requested under this RFI or otherwise, and may request the Respondent to present supplementary information, in respect of its RFI Response;

8.6.2 The Respondents may, following the submission of an RFI Response, be requested to engage with TNPA and / or other relevant government stakeholders to discuss matters relevant to its RFI Response. Any meetings will take place via MS Teams, unless otherwise arranged.

9 Contact with the Project Officer

9.1 The Respondent must give the name and contact details of the person whom it appoints to undertake all contact with the Project Officer in its RFI Response, as provided for above (Information to be provided by Respondents in their RFI Responses);

9.2 After the submission of its RFI Response, the Respondent may only communicate with TNPA through such person and TNPA shall be entitled, at its sole discretion, to disregard any communication from the Respondent that does not come from such contact person, and that does not go directly to the Project Officer. Once

the Respondent has been issued with a unique identification number this is to be used in all communications with TNPA;

9.3 Where engagement is required with the Respondent as highlighted above, other representatives of TNPA and the Respondent will be requested to be available for such engagement.

10 Non-Compulsory Briefing Session

10.1 A non-compulsory briefing session meeting will be conducted via Microsoft Teams on **Wednesday 14 December 2022 @ 10h00**.

10.2 Interested parties are required to RSVP to join the briefing session by requesting a MS Teams link by **12 December 2022** at the following email address: Richardsbayliquidbulkrfi@transnet.net

10.3 Interested parties who wish to submit an RFI Response and who did not participate in the non-compulsory information sharing session will not be excluded from submitting an RFI Response.

11 Requests and Clarifications

11.1 The Respondent may request clarification on any item contained in this RFI by not later than **27 January 2023 at 16h00pm (CAT)**;

11.2 All enquiries, queries, and requests for clarification in respect of this RFI must be in writing and addressed to the Project Officer and emailed to Richardsbayliquidbulkrfi@transnet.net

11.3 TNPA will endeavour to respond to all reasonable written queries and requests for clarification raised by any Respondent.

12 Confidentiality

12.1 The information contained in this RFI is confidential and proprietary to TNPA. In accepting this RFI, "suppliers", "service provider" and/or "Agents" agree to the following conditions, under applicable legislation:

12.1.1 Each party recognises and agrees that the Confidential Information has been compiled, created, and maintained by special effort and expense of the other party;

12.1.2 Each party recognises and agrees that disclosing or disseminating Confidential Information to a third party will have a materially adverse effect on the other party and agrees not to disclose or disseminate the Confidential Information to any third party. Except as necessary to perform its obligations hereunder, each party shall not use, reproduce, or draw upon the Confidential Information or circulate it within its own organisation;

12.1.3 Each party shall provide notice to the other party of any demand made upon it under lawful process to disclose or provide the other party's Confidential Information. Such party agrees to co-operate with the other party if it elects to seek reasonable protective arrangements or oppose such disclosure, at the expense of the party that is seeking the protective arrangements or opposing the disclosure; and

12.1.4 Any Confidential Information disclosed pursuant to such lawful process shall continue to be Confidential Information, the access to such Confidential Information shall be limited to those persons:

- a) only with a need to review such information for the purposes for which the disclosure was required; and
- b) who agree in writing to keep the Confidential Information confidential.

13 Offering of Commission or Gratuity

13.1 If a Respondent, or any person employed by him, is found to have either directly or indirectly offered, promised or given to any person in the employ of TNPA, any commission, gratuity, gift or other consideration, TNPA shall have the right and without prejudice to any other legal remedy which it may have in regard to any loss or additional cost or expenses, to disqualify the RFI Respondent from further participation in this process and any other subsequent processes in this regard;

13.2 In such an event, the Respondent will be responsible for all and any loss that TNPA may suffer as a result thereof. In addition, TNPA reserves the right to exclude such a Respondent from future business with TNPA.