TRANSNET

TPL PROCUREMENT:

STRATEGIC PROCUREMENT PLAN (SPP)

DESCRIPTION: PROVISION OF INLINE INSPECTION SERVICES OF THE 16INCH AND 18INCH DIAMETER ONSHORE METHANE RICH GAS PIPELINE NETWORK EMPLOYING AN IN-LINE ELECTRONIC GEOMETRY SURVEY TOOL AND AN IN-LINE METAL LOSS & NARROW AXIAL FEATURE SURVEY TOOL.

TENDER NUMBER: TPL/2026/07/0512/9261/RFP

Date: August 2026

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STRATEGIC PROCUREMENT PLAN

This Strategic Procurement Plan must be completed for procurement activities over R 2 million, with high priority risk, complex or long-term engagement which may result in a contract being entered into.

1. GENERAL INFORMATION

1.1 Tender Number: TPL/2026/07/0512/9261/RFP

1.2 Funding Details:

Source of funding: (Please tick)?

OPEX		**COPEX**	x	**CAPEX**	

If affirmative to CAPEX, kindly provide/attach the following documents.

Description	Yes / No	Detail
Approved Business Case	N/A	N/A
Approved CAPIC Minute	N/A	N/A
Approved Warrant Number	N/A	N/A
Approved Warrant Value	N/A	N/A
Approved Procurement Value	N/A	N/A

OPEX / COPEX Procurement Request

Estimated contract value	R31 623 410,36 including VAT		
Cost Centre	HO/1455 (43 TEC)	GL Account	922013
Budget Value	R31 623 410,36		
Requisition Number	TBC		

2. EXECUTIVE SUMMARY

2.1 Annual Procurement Plan (APP):

This procurement requirement is listed in the 2026/2027 National Treasury Annual Procurement Pipeline/Plan. Refer to **Annexure A** for confirmation in writing.

2.2 Purpose / Objective:

The RFP aims to procure the provision of In-Line Inspection - Provision of Inline Inspection Services of the 16inch and 18inch DIAMETER onshore pipeline network employing an in-line electronic Geometry survey tool and an in-line Metal Loss & Narrow Axial Feature survey tool for a Period of two (2) years.

2.2 Background:

Transnet Pipelines is venturing into transporting Liquified Natural Gas (LNG) and requires repurposing of the gas pipeline network. Conclusive assessment of pipeline structural condition is required.

All inspection, detection, sizing, validation, reporting, and electronic data delivery under this requirement shall comply with the following standards and requirements:

1.1. Pipeline Operators Forum (POF) 100 – Specifications and Requirements for In-Line Inspection of Pipelines, November 2021 Edition.

1.2. Pipeline Operators Forum (POF) 110 – Specifications and Requirements for Universal POF Template (UPT) Data Format, November 2021 Edition.

1.3. API STD 1163 – In-Line Inspection Systems Qualification, Third Edition, September 2021.

This acquisition is for the detection, sizing and evaluation of corrosion (volumetric) and narrow axial (linear) anomalies and analysis thereof to assess the condition of the pipeline asset and effect any required repairs. This work constitutes part of the periodic maintenance regime for buried pipelines

2.3 Business requirement (Scope of Work):

This Contract covers the provision of In-Line Inspection services for the specified pipeline sections, including all activities necessary for successful inspection, detection, classification, sizing, reporting, and delivery of data required to assess the integrity of the pipeline system.

The Works shall include:

1. pipeline pre-inspection cleaning surveys
2. electronic geometry deformation surveys
3. metal loss features, volumetric corrosion & narrow axial feature surveys
4. pipeline bending strain assessment
5. data analysis
6. delivery of electronic data and reporting
7. provision of a reporting and data interrogation application.

Also refer to Annexure **Annexure B** for the detailed information.

2.4 Deliverables:

2.4.1 Minimum Detection Coverage

The inspection system shall, at a minimum, be capable of detecting, locating, identifying, classifying, and sizing, where applicable, the following anomaly categories relevant to pipeline integrity:

2.4.1.1 Metal loss anomalies

- internal metal loss
- external metal loss
- general corrosion
- localised pitting corrosion
- wall thinning
- narrow axial, groove, and channel corrosion.

2.4.1.2 Mechanical damage and interaction features

- gouges and third-party mechanical damage;
- dents, where detected by the geometry inspection and
- interacting or combined anomalies, including dents associated with metal loss or other injurious features.

2.4.1.3 Weld and manufacturing-related features

- longitudinal seam weld location and seam-related anomalies;
- girth weld location and girth weld-related anomalies;
- mill and manufacturing anomalies; and
- mid-wall anomalies, including laminations and inclusions, where the proposed technology has demonstrated capability to identify such features.

2.4.1.4 Installed pipeline features

- valves, tees, flanges, welds, fittings, branches, and other known or detectable installed features.

2.4.2 Crack and Crack-Like Threats

Because this pipeline operates in gas transmission service, the Contractor shall explicitly state the capability of the proposed inspection system with respect to:

- crack and crack-like anomalies;
- Stress Corrosion Cracking (SCC);
- seam-related cracking or seam weld imperfections; and
- fatigue-related crack indications.

For each of the above threat categories, the Contractor shall state whether the proposed system:

- reliably detects and sizes;
- detects and screens only for further investigation; or
- has known limitations or exclusions.

Where reliable detection and/or sizing of crack-related anomalies cannot be demonstrated, the Contractor shall clearly declare the limitation.

2.4.3 Performance and Validation Requirements

The Contractor shall submit, as part of the tender, a detailed performance specification for each proposed inspection technology and for each anomaly category to be addressed under this Contract. The performance specification shall include, as a minimum:

- Probability of Detection (POD);
- Probability of Identification (POI);
- depth sizing accuracy;
- length and width sizing accuracy;
- minimum detectable dimensions;
- internal versus external discrimination capability;
- orientation sensitivity and limitations; and
- applicable confidence levels and stated performance tolerances.

All stated performance claims shall be supported by validated evidence and shall comply with the qualification and validation principles of API STD 1163.

The Contractor shall ensure that data acquired from Magnetic Flux Leakage inspections is suitable for direct comparison, alignment, and combined interpretation.

2.4.4 Data Quality Requirements

The Contractor shall verify the completeness, adequacy, and technical quality of the inspection data for each pipeline section and shall confirm whether each inspection run was successful. Where data quality is inadequate, unavailable, or affected by coverage loss, the Contractor shall identify the affected areas, explain the cause, quantify the impact, and recommend appropriate remedial action, including re-run requirements where necessary.

2.5 Current (As Is) Situation:

This is a once-off transaction done at 10-year intervals.

3. PROJECT RESEARCH / ANALYSIS

The Selected Procurement Strategy and Rationale

3.1 Adopted go-to-market strategy:

The go-to-market strategy to be employed is open Tender RFP, through a revenue generating mechanism, to appoint a Service Providers for the required service(s).

3.2 Method of going to market (Sourcing Mechanism):

Open Tender RFP.

3.3 Commodity / Services Group:

Pipeline Inspection services

3.4 Duration of Contract / Engagement:

Two (2) years

3.5 Specific area/s for Deployment:

This onshore pipeline traverses from Secunda to Durban.

The listed three sections as tabulated below in the pipeline overview are to be inspected.

The pipeline carries methane enriched gas.

	Section 1	Section 2	Section 3
Launch	Secunda	Ingogo	Empangeni
Receive	Ingogo	Empangeni	Durban
Length (km)	153	249	178.7
Nominal diameter	16 inch	18 inch	
Trap diameter	18 inch	20 inch	20 inch
Steel grade	API 5L X52	API 5L X52	
Manufacture type	Longitudinal welded	Longitudinal welded & seamless.	Longitudinal welded, seamless & spiral
Wall thickness (mm)	7	10.31	9.53
Thickness range	5.54 – 10.31	6.35 – 12.7	8.74 – 11.13
Minimum bend	3D		
MAOP	7MPa		
Design pressure	10.20MPa	12.27MPa	
Built in			
Inspection history	MFL-A corrosion detection survey was performed 2006/7 and 2020/21.		

3.5.1 Trap Information

Secunda - Ingogo

	Launch	***Receive***
Length of oversize barrel	4 300mm	4 000mm
Diameter of oversize	18 inch	18 inch
Length of nominal diameter	800mm	4 000mm
Length of reducer	500mm	500mm
Reducer concentric or eccentric	Eccentric	Eccentric
Trap height from work surface	800mm	1 100mm
Insertion/ retrieval of tool	Push in	Pull out
Work area	Open	Open

Ingogo – Empangeni

	Launch	***Receive***
Length of oversize barrel	4 500mm	4 200mm
Diameter of oversize	20 inch	20 inch
Length of nominal diameter	1100mm	4 200mm
Length of reducer	510mm	510mm
Reducer concentric or eccentric	Eccentric	Concentric
Trap height from work surface	920mm	930mm
Insertion/ retrieval of tool	Push in & pull in	Pull out
Work area	Open	Open

Empangeni – Durban

	Launch	***Receive***
Length of oversize barrel	4 500mm	4 200mm
Diameter of oversize	20 inch	20 inch
Length of nominal diameter	720mm	4 200mm
Length of reducer	510mm	510mm
Reducer concentric or eccentric	Eccentric	Eccentric
Trap height from work surface	1 060mm	700mm
Insertion/ retrieval of tool	Push in & pull in	Pull out
Work area	Open	Open

3.6 Strategic Benefits Value-Add Activities Envisaged:

Consistently will allow effective cost management through early detection and evaluation of narrow axial (linear) anomalies and analysis thereof to assess the condition of the pipeline asset and effect any required repairs and revenue generation.

3.7 Briefing Session:

There will be a non-compulsory briefing session for this procurement on MS Teams on a date to be communicated.

3.8 Competition/ Commodity Market Analysis:

See attached Market analysis – **Annexure C**

3.9 Rationale for Selecting the above Procurement Mechanism / Strategy:

The recommended procurement mechanism is an Open Bid process in accordance with the Procurement Manual for Activities (Goods and Services) Directed at Revenue Generation.

An Open Bid process has been selected for the following reasons:

- The specialised nature of the services requires broad market participation to ensure that suitably qualified local and international specialist service providers are afforded an equal opportunity to compete.
- The services require highly specialised inline inspection technology, proprietary inspection tools, internationally recognised technical expertise, and compliance with internationally accepted standards, including Pipeline Operators Forum (POF) 100 and 110 and API STD 1163.
- Transnet Pipelines does not possess the specialised equipment, technology, or in-house capability to undertake these inspections, making external procurement necessary.
- An open competitive process promotes fairness, transparency, competitiveness, and value for money while mitigating procurement risk.
- The inclusion of stringent technical pre-qualification criteria ensures that only bidders with proven capability, qualified personnel, and compliant inspection tools will proceed to further evaluation, thereby reducing technical and project execution risk.

The Open Bid procurement mechanism represents the most appropriate strategy to obtain technically compliant, competitive, and commercially advantageous proposals while ensuring good governance, transparency, and the continued safe operation of Transnet Pipelines' revenue-generating infrastructure.

Advertisements will be published on National Treasury Central Supplier Database, CIDB and the Transnet internet website to ensure fairness and provision of an opportunity for new entrants in the market, to submit bids.

3.10 Risk Management

No		Risks Identified	
1	Short turnaround times provided to bidders	Insufficient time given to bidders to respond may result in Transnet not getting optimal results out of the process	The specification/scope of requirements are clear;

3.11 Preferential Procurement Prequalification Criteria:

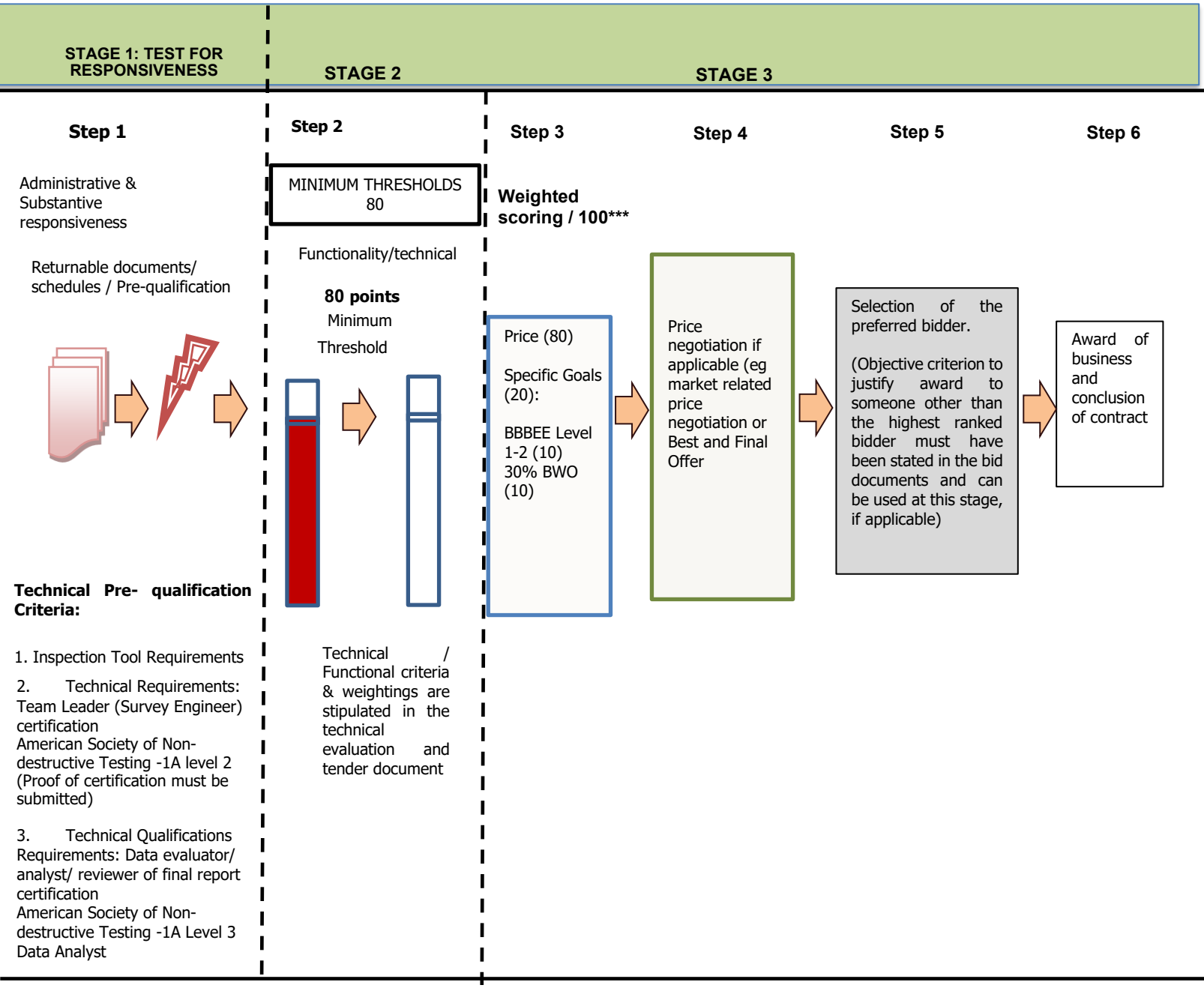
Specific Goals	Number of points (80/20 system)
B-BBEE Status Level of Contributor 1 or 2	10
Black Women Owned (30%)	10

4. PRESCRIBED EVALUATION PROCESS

The provision of the required services will be based on the Scope of Requirements as mentioned above. All bids will be evaluated according to specific criteria which will ensure that each bidder is provided with an equitable opportunity for success - in keeping with Transnet's PM.

4.1 Evaluation Methodology

Transnet will utilise the following methodology and criteria in selecting a preferred Service provider, if so required:



NB: Evaluation of the various stages will normally take place in a sequential manner. However, in order to expedite the process, Transnet reserves the right to conduct the different stages of the evaluation process in parallel. In such instances the evaluation of bidders at any given stage must not be interpreted to mean that bidders have necessarily passed any previous stage(s).

4.2 Evaluation Criteria and Scoring Scale

4.2.1 Step One: Test for Administrative Responsiveness

The test for administrative responsiveness will include the following:

Administrative responsiveness check
• Whether the Bid has been lodged on time
• Whether all Returnable Documents and/or schedules [where applicable] were completed and returned by the closing date and time
• Verify the validity of all returnable documents
• Verify if the Bid document has been duly signed by the authorised respondent

The test for administrative responsiveness [Step One] must be passed for a Respondent's Proposal to progress to Step Two for further pre-qualification

4.2.2 Step Two: Test for Substantive Responsiveness to RFP

The test for substantive responsiveness to this RFP will include the following:

Check for substantive responsiveness
• Whether any general pre-qualification criteria set by Transnet, have been met
• Whether the Bid contains a priced offer
• Whether the Bid materially complies with the scope and/or specification given
• Whether any Technical prequalification criteria have been met as follows: 1. Inspection Tool Requirements 2. Technical Qualification Requirements: Team Leader (Survey Engineer) 3. Technical Qualifications Requirements: Data evaluator/analyst/ reviewer of final report
• Entity's financial stability

The test for substantive responsiveness [Step Two] must be passed for a Respondent's Proposal to progress to Step Three for further evaluation

4.2.3 Step Three: Minimum Threshold of 80 points for Technical Criteria

Failure to achieve the 80 points thresholds will lead to disqualification. The test for the Technical and Functional threshold will include the following:

Functionality criteria	Maximum number of points
Annexure 13 - Method Statement - Project execution	**30**
Annexure 13 - Final reporting (assessment)	**40**
Annexure 13 – Company's Project Related Experience	**30**
Total weighting	**100**
Minimum qualifying score required:	**80**

Site Evaluation and Audits:

YES		NO	X

Final technical scores will be rounded off to the nearest 2 (two) decimal places for the purposes of determining whether the technical threshold has been met.

The minimum threshold for technical/functionality [Step Three] must be met or exceeded for a Respondent's Proposal to progress to Step Four for further evaluation

4.2.4 Step Four: Evaluation and Final Weighted Scoring

a) Price Criteria [Weighted score 80 points]:

Evaluation Criteria	RFP Reference
• Commercial offer	*Section 4*

Transnet will utilise the following formula in its evaluation of Price:

$$PS = 80\ (1 - \frac{Pt - Pmin}{Pmin})$$

Where:

Ps = Score for the Bid under consideration
Pt = Price of Bid under consideration
Pmin = Price of lowest acceptable Bid

Respondents will be required to complete the Pricing Schedule as detailed in the Section 4 of the RFP. Final Price scores will be rounded off to the nearest 2 (two) decimal places.

b) Broad-Based Black Economic Empowerment criteria [Weighted score 20 points]

- B-BBEE - current scorecard / B-BBEE Preference Points Claims Form
- Preference points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table indicated below:

Specific Goals	Number of points (80/20 system)
B-BBEE Status Level of Contributor 1 or 2	10
Black Women Owned (30%)	10
Non-Compliant and/or BBBEE Level 3-8 contributors	0

4.2.5 Step Five: Post Tender Negotiations

- Respondents are to note that Transnet may not award a contract if the price offered is not market related. In this regard, Transnet reserves the right to engage in PTN with the view to achieving a market-related price or to cancel the tender. Negotiations will be done in a sequential manner i.e.:
  - first negotiate with the highest ranked bidder or cancel the bid, should such negotiations fail,
  - negotiate with the 2nd and 3rd ranked bidders (if required) in a sequential manner.
- In the event of any Respondent being notified of such short-listed/preferred bidder status, his/her bid, as well as any subsequent negotiated best and final offers (BAFO), will automatically be deemed to remain valid during the negotiation period and until the ultimate award of business.
- Should Transnet conduct post tender negotiations, Respondents will be requested to provide their best and final offers to Transnet based on such negotiations. Where a market related price has been achieved through negotiation, the contract will be awarded to the successful Respondent(s).

4.2.6 Step Six: Objective Criteria

Transnet reserves the right to award the business to the highest scoring bidder/s unless objective criteria justify the award to another bidder. The RFP will state that Transnet may apply the following objective criteria to the bid process:

- Geographical location;
- all Risks identified during a risk assessment exercise/probity check (which may be conducted by an authorised third party) that would be done to assess all risks, including but not limited to:

- the financial stability of the bidder based on key ratio analysis, which would include, but not be limited to Efficiency, Profitability, Financial Risk, Liquidity, Acid Test, and Solvency;
- a due diligence to assess functional capability and capacity. This could include a site visit;
- A commercial relationship with a Domestic Prominent Influential Person (DPIP) or Foreign Prominent Public Official (FPPO) or an entity of which such person or official is the beneficial owner; and
- Reputational and Brand risks

4.2.7 Step Seven: Award of business and conclusion of contract

- Immediately after approval to award the contract has been received, the successful or preferred bidder(s) will be informed of the acceptance of his/their Bid by way of a Letter of Award. Thereafter the final contract will be concluded with the successful Respondent(s).
- A final contract will be concluded and entered into with the successful Bidder at the acceptance of a letter of award by the Respondent.

5. RISKS AND ENVIRONMENTAL

5.1. The following Technical risks have been identified by the End User and mitigated:

END USER RISK	MITIGATED	HOW
Delays in Awarding Contract	Yes	The evaluation team will prioritise this procurement event and be available to engage when required
Key tool and performance specification not meeting required criteria	Yes	Key tool and performance specification documents are required for pre-qualification purpose.

The following Procurement risks have been identified and mitigated:

RISK	Potential Impact	Mitigation Measure
Reputational risk	Impacts client trust, financial stability, and overall reputation of the business	Transnet Vetting will be conducted prior to the award of the service
Inflated market price	Impacts client trust, financial stability, and overall reputation of the business	Transnet Vetting will be conducted prior to the award of the service

5.2. Parceling:

All steps will be taken to ensure that parcelling of any kind is avoided.

5.3. Environmental Department and Environmental Assessments:

All bidders will be required to adhere to all requirements as stipulated by the Transnet Environmental Department.

5.4. Loss of Revenue

It will be ensured that the contract is beneficial to Transnet and that business does not suffer any losses as a result. Ensuring that professional services are delivered in the most efficient and effective manner is critical to Transnet as a whole.

5.5. Corporate Reputation

The image of Transnet will be maintained by complying with all the relevant Transnet policies and procedures throughout the entire bid. The bid process will be treated with the utmost urgency, fairness and transparency. Ensuring that service providers deliver to the agreed terms within the contract and SLA timeously, will ultimately improve Transnet and the Funds reputation and enhance service delivery.

5.6. Compliance (PFMA, Environmental & Safety regulations and other regulatory requirements):

Compliance to all applicable Transnet (and Government) policies and procedures will be adhered to in all instances.

6. OPPORTUNITIES / BENEFITS / CONSIDERATIONS (MOTIVATED)

6.1. Financial

N/A

6.2. Savings Initiatives

N/A

6.3. Material Reduction in Operational Costs

N/A

7. TARGET TIMELINES

7.1 Summary of milestones and deliverables:

No.	Events / Activities	Estimated Duration (Days)	Proposed Date	Actual
1	Received Approved Request for Service Memo (Refer to appendix i)			29 June 2026
2	Procurement to Confirm specifications with Business (including review of necessary criteria)	3	02 July 2026	
3	Appoint BPEC committee	1	03 July 2026	
4	BPEC committee to Review specification and provision of inputs	5	10 July 26	
5	SD Market Analysis	2	14 July 26	
6	Draft Strategic Procurement Plan (SPP) document/Strategy	2	16 July 26	
7	Formulating Draft RFP	2	20 July 26	
8	RFP & SPP/Strategy reviewed by BPEC	3	23 July 26	
9	Correct / Update Document	1	24 July 26	
10	RFP & SPP/Strategy review and Signoff by BPEC	1	27-Jul-26	
11	RFP & SPP/Strategy review and signoff by Governance/Legal	3	30 Jul 2026	
12	Go to market approval received from DoA	2	03 Aug-26	
13	RFP advertised on e-Tender portal and Transnet Website	1	04 Aug-26	
14	RFP in market until closed	21	02 Sep-26	
15	Downloading of supplier's responses from Transnet portal	1	03 Sep-26	
16	Evaluations, Administrative & Substantive	1	04 Sep-26	
17	Technical Prequalification Evaluation	1	07 Sep-26	
18	Price and B-BBEE evaluation	1	08 Sep-26	
19	Risk assessments & Negotiations (where applicable)	0	08 Sep- 26	
20	TEAR compilation	2	10-Sep-26	
21	Contract Assurance	0	14 Sep-26	
22	BPEC Review of TEAR & SSSM/CPO	2	16-Aug-26	
23	Submit to DBAC	2	18 Sep-26	
24	DBAC Approval (Dates to align to calendar)	4	25 Sep 26	
25	LOA Issued	5	02 Oct 26	
	Total:	**66**		

8. APPROVALS

8.1 Cross Functional Sourcing Team (CFST) – Persons contributing to the SPP and go to market strategy:

CFST COMPOSITION	TICK	NAME	SIGNATURE	DATE
PROCUREMENT	✓	Masego Khutsoane		28/07/26
CONTRACTS MANAGER	✓	Thembelani Emanuel		29/07/2026
TECHNICAL (END USER)	✓	Siya Sithathu		29.07.2026
TECHNICAL (END USER)	✓	Sabelo Hadebe		29 July 2026
TECHNICAL (END USER)	✓	Stix Mzila		29 July 2026
B-BBEE	✓	Khulekani Ngqulunga	K.I Ngqulunga	29/07/2026
QS	✓	Roli Mugivhi		18/08/2026
Governance & Compliance		Nomfundo Mpontshane		19/08/2026

8.2 The proposed procurement per the SPP is conducted in terms of the approved delegation of authority (DOA)

Process Owner / CPO approvals:

	NAME & SURNAME	SIGNATURE	DATE	DOA
Senior Strategic Sourcing Manager	Carol Khumalo		19/08/2026	
Acting CPO	Lethukuthula Xaba		19/08/2026	