

1. EVALUATION CRITERIA

Bidders who are advising other players in South Africa on Gas Aggregation will be disqualified as this would be deemed conflict of interest. Technical Evaluation Criteria focuses on proven experience and proposed Partnership Execution Methodology.

The methodology carries 80% of the weighting as tabulated below. This may be incorporated into the final Partnership agreement. Bidders are welcome to expand partnership agreement by providing clear Heads of Agreement for CEF's consideration, even though this will not be part of the scoring mechanism.

TECHNICAL EVALUATION

Bidders will be evaluated according to the technical evaluation criteria presented below. The minimum Technical Threshold is **60%**. It must be noted that if the Bidder does not meet the **60%** minimum threshold, the bidder will be disqualified and not be evaluated further.

1.1. Proven Experience of Gas Trading			
The project lead must provide proof of having sourced, negotiated and concluded Gas Supply Agreement(s)			
Evaluation Criteria	Document as Evidence	Score	Weighting %
Lead has participated in developing, negotiating and concluded more than two (2) Gas Supply Agreements (which were not concluded).		5	10%
Lead has participated in developing, negotiating and concluded at least two (2) Gas Supply Agreement which were not concluded.		4	
Lead has participated in developing, negotiating and concluded at least one (1) Gas Supply Agreement which were not		3	

concluded.			
Lead has participated in developing and negotiating Gas Supply Agreement which were not concluded.		1	
No proven experience/ No supporting documents provided		0	

1.2. Proven Experience For Raising Commodity Trading Financial facility

The project lead must provide proof of having sourced multibillion rand Financial facility to support commodity trading.

Evaluation Criteria	Document as Evidence	Score	Weighting %
Previously raised Financial facility of above R10 billion to support commodity trading		5	10%
Previously raised Financial facility of above R6bn up to R10 billion to support commodity trading		4	
Previously raised Financial a facility of R1bn up to R6 billion to support commodity trading		3	
Previously raised Financial a facility less than R1billion to support commodity trading		1	
No proven experience in raising financial facility to support commodity trading/No supporting documents provided		0	

1.3. Proposed Methodology: Gas Source

% Share of indigenous Gas to the total estimated contract volumes.

Evaluation Criteria	Document as Evidence	Score	Weighting %
Indigenous gas volume contributes above 50 % of the contract Volumes	Proposed partnership to include estimated contract Volumes and include the share of	5	10%
Indigenous gas volume contributes above 25 up to 50 % of the contract		4	

Volumes	indigenous Gas		
Indigenous gas volume contributes above 10 up to 25 % of the contract Volumes		3	
Indigenous gas volume contributes less than 10% of the contract Volumes		1	
No Gas volume contributes		0	

1.4. Proposed Methodology: Gas Source Risk Mitigation

Have ability to source gas from multiple portfolio supplier(s)/gas owners to enable risk mitigation for supply interruption

Evaluation Criteria	Document as Evidence	Score	Weighting %
Ability to source at least from more than 3 regions in any global region	Letters of Support from interested Portfolio Supplier and/or Gas Owners reflecting the region they supply from	5	10%
Ability to source at least from three region		4	
Ability to source at least from two region		3	
At least ability to source from one region		1	
No ability to source from any region		0	

1.5. Proposed Methodology: Proposed Gas Trading Platform

Have ability to source from multiple portfolio supplier to enable mitigation

Evaluation Criteria	Document as Evidence	Score	Weighting %
Proposed Platform has been used by Partner on more than three Gas Supply or Gas Sales Agreement	Proposed partnership strategy	5	10%
Proposed Platform has been used by		4	

Partner on at least three Gas Supply or Gas Sales Agreement			
Proposed Platform has been used by Partner on at least two Gas Supply or Gas Sales Agreement		3	
Proposed Platform has been used by Partner on at least one Gas Supply or Gas Sales Agreement		1	
No Proposed platform has been used by partner in any of Gas Supply or Gas Sales Agreement		0	

1.6. Proposed Methodology: Proposed Gas Pricing Mechanism			
Have ability to source from multiple portfolio supplier to enable mitigation			
Evaluation Criteria	Document as Evidence	Score	Weighting %
Proposed Pricing Mechanism benchmarked to international LNG Trade and modified to include NERSA and local requirements	Proposed Strategy	5	10%
Proposed Pricing Mechanism benchmarked to international trade and applied to at least one Gas Supply Agreement		4	
Proposed Pricing Mechanism benchmarked to international trade only		3	
Arbitrary pricing, not benchmarked		1	
No price mechanism provided		0	

1.7. Proposed Methodology: CEF Capacitation

% of CEF roles in the proposed aggregator organogram that will be trade and capacitated to ensure full independence within 5 years

Evaluation Criteria	Document as Evidence	Score	Weighting %
CEF roles in proposed organogram accounts for more than 50%	Proposed Aggregator Execution Organogram	5	10%
CEF roles in proposed organogram accounts for between 26% and 50%		4	
CEF roles in proposed organogram accounts for between 10% and 25%		3	
CEF roles in proposed organogram accounts for less than 10%		1	
No CEF roles are proposed		0	

1.8. Proposed Methodology: Gas Trading Financial facility

Provide letters of interests and/or Financial terms sheet from credible financiers

Evaluation Criteria	Document as Evidence	Score	Weighting %
Estimated Facility more than R20bn	Proposed partnership strategy	5	10%
Estimated Facility between R15bn and R20 bn		4	
Estimated Facility over R10bn but less than 15bn		3	
Estimated Facility between R1bn and R10bn		1	
Estimated Facility of about less than R1bn		0	

1.9. Proposed Methodology: Currency Fluctuation Protection Mechanism

Provide a detailed mechanism(s) on how the Aggregator shall be protected from currency fluctuation.

Evaluation Criteria	Document as Evidence	Score	Weighting %
Proposed more than three (3) protection mechanisms	Proposed partnership strategy	5	10%
Proposed three (3) protection mechanisms		4	
Proposed two (2) protection mechanisms		3	
Proposed one (1) protection mechanism		1	
No proposed mechanism		0	

1.10. Proposed Methodology: Execution Schedule

Provide a detailed execution plan that shows all regulatory and partner approval processes to operationalise Gas Aggregator

Evaluation Criteria	Document as Evidence	Score	Weighting %
Gas Aggregator Plan operationalised in less than 9 months	Proposed Partnership Strategy	5	10%
Gas Aggregator Plan operationalised in 9 to 12 months		4	
Gas Aggregator Operationalised in above 12 but less 18 months		3	
Gas Aggregator operationalised more than 18 months to 24 months		1	
Gas Aggregator operationalised more than 24 months		0	