



Transnet SOC Ltd
acting through its operating division, Transnet National Ports Authority
Registration Number
1990/000900/30
www.transnet.net

BRIEFING NOTE NO. 6 (TNPA/2022/12/0002/19592/RFP)

29.05.2023

REQUEST FOR PROPOSALS FOR THE APPOINTMENT OF A TERMINAL OPERATOR TO OPERATE AND MAINTAIN PORT AND COMMON USER INFRASTRUCTURE FINANCED, DESIGNED AND CONSTRUCTED BY THE TNPA, AND TO DESIGN, DEVELOP, FINANCE, CONSTRUCT, OPERATE, MAINTAIN TERMINAL INFRASTRUCTURE AND TERMINAL EQUIPMENT REQUIRED FOR THE HANDLING OF LIQUID NATURAL GAS AT SOUTH DUNES IN THE PORT OF RICHARDS BAY FOR A MINIMUM PERIOD OF 25 (TWENTY-FIVE YEARS)

1. PREPARATION FACILITY AGREEMENT CONCLUDED WITH THE DBSA

The TNPA has identified the need to fast-track some of the development activities to ensure the implementation of the project within the projected timeframe. As a result, TNPA has secured preparation funding support of ZAR 30 million from the Development Bank of Southern Africa to source service providers to assist with the following urgent activities with regards to RFP No. TNPA/2022/12/0002/19592

- i. Environmental and Social Impact Assessment Report, in accordance with the World Bank/International Finance Corporation Safeguards, Guidelines and Standards.
- ii. RFP evaluations and appointment of preferred bidder.
- iii. Concession Agreement negotiations and contracting with the preferred bidder.

To further enhance the prospects of the Project reaching Financial Close, the DBSA has further committed to participate in the financing of a portion of the debt requirements of this Project and provide funding support to local and other bidders that are unable to access financing support from international lenders or local commercial markets.

Therefore, the purpose of this Addendum is to provide the bidders with the details of these arrangements, and to consider the same in their bid submission.

1.1. **Repayment of the preparation costs of ZAR30 million**

- 1.1.1 If the DBSA determines that the Project is not Bankable, any amount advanced to the TNPA will not be repayable.
- 1.1.2 If the DBSA determines that the Project is Bankable, and if TNPA has drawn from the preparation fund, such amount constituting the preparation costs shall become due and payable by the Preferred Bidder, and the Preferred Bidder shall pay to the DBSA, upon such terms as agreed to by the DBSA, the principal plus a return of 2.5x the amount so utilized by the TNPA, within 15 (fifteen) Business Days after Financial Close.
- 1.1.3 The Preferred Bidder shall thereafter have no further, actual, or contingent obligation to make any payments to the DBSA under or pursuant to the terms of this RFP.

1.2. **Project Finance Terms and Conditions**

- 1.2.1. DBSA has a right to match up to a maximum of 40% of the senior debt facility of the appointed Preferred Bidder on financing terms better than or similar to those offered by the Preferred Bidder's preferred financier.
- 1.2.2. Should **DBSA** successfully provide financing terms similar to those of the Preferred Bidder's preferred financier, then **DBSA** shall be entitled to provide such financing for such portion of the debt required for the project on the same or better terms and the Preferred Bidder shall not have any further right to compare or market test such terms.
- 1.2.3. Should **DBSA** elect not to provide financing terms as per above or be unable to match or better the terms of the preferred financier so

identified, the Preferred Bidder may proceed with the appointment of any other financier of its choosing and **DBSA** will have no right of recourse against the Preferred Bidder.

1.1.3. The Preferred Bidder shall make provision for the **DBSA** to share the mandated lead arranger role with the Preferred Bidder's preferred mandated lead arranger. Should a lead arranger be in place already, the Preferred Bidder will arrange for DBSA to be appointed as a co-lead arranger.

1.1.4. Notwithstanding the aforesaid provisions, any offer from DBSA for the financing and or any other support for the Project, shall be subject to and conditional on the prior approval of the management and the board of directors of the DBSA and the conclusion of the requisite agreements to the satisfaction of the DBSA.

1.3. DBSA Contact

Bidders are free to contact Elliott Monama and Ramona Reddy-Maduray of the DBSA via e-mail at Elliottm@dbsa.org and RamonaR2@dbsa.org for further information relating hereto.

2. **BIDDER QUESTIONS AND CLARIFICATION**

Bidders will be afforded a further opportunity to direct written questions and queries relating to the DBSA's role and involvement in relation to the project by not later than 09th of June 2023 at 16h30 via the email richardsbaygasrpf@transnet.net . TNPA will respond to all questions related to this briefing note by the 19th of June 2023 at 16h30.

3. **REVISED BID SUBMISSION DATE**

The closing date for the submission of bids is moved from 14 July 2023 and will now be 29 July 2023.

Please be guided accordingly.

Yours sincerely

Project Manager

Briefing Note No. 6 – LNG RFP (Richards Bay)