



Transnet SOC Ltd

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BRIEFING NOTE NO. 4 (TNPA/2022/12/0002/19592/RFP)

01 March 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)

TNPA RESPONSE TO BIDDER'S QUESTIONS:

Through this briefing note 4, Transnet National Ports Authority (TNPA) would like to issue a responses to the questions received from the bidders for the LNG Project **TNPA/2022/12/0002/19592/RFP**

Number	Question/Comment	TNPA Answer(s)
1	<p>Clause 2.1.24 refers to a "Concept Infrastructure Design Specification (Annexure C)", however Annexure C is the 'Business Case Guidelines'. Please provide a copy of the 'Concept Infrastructure Design Specification'.</p>	<p>This is a paragraph reference error and should read as is more fully described in Annexure D, Technical Information Pack.</p>
2	<p>Please clarify whether the scope should include first-fill (or at least minimum viable heel) of LNG to enable commissioning and initial operation of the terminal and common user infrastructure.</p>	<p>The scope includes first fill to enable commissioning and thereafter continuous fill for terminal operations.</p>
3	<p>With reference to clauses 4.1.1 & 4.1.2, please clarify the envisaged process for bidders to arrange financing on behalf of TNPA for the Port Infrastructure and Common User Infrastructure.</p>	<p>To clarify, the appointed Terminal Operator will not be required to raise finance for or on behalf of the TNPA.</p> <p>The Terminal Operator will be required to raise finance in respect hereof in its own right and fund the development of the Port Infrastructure and Common User Infrastructure, if it is found that TNPA's plans to develop this infrastructure is not responsive to the appointed Terminal Operator's needs in terms of time and cost. TNPA will refund and or reimburse the appointed Terminal Operator for these costs on the commissioning thereof.</p>

4	<p>With reference to clause 4.3, please clarify what demand factor is assumed for the 1MTPA and 5MTPA figures. For example, a 50% demand (load) factor would require a 2MTPA Terminal Equipment capacity to deliver 1MTPA of throughput. Does the evaluation look at the expandability of the facility to 5MTPA or the profitability/ bankability of the project at 5MTPA? The Concession fee for either option will be different?</p>	<p>To clarify, the appointed Terminal Operator will be expected to develop and or provide a facility that meets these capacity requirements from a technical and functional perspective and must clearly illustrate how this will be achieved from a technical and engineering expandability perspective. Bidders must therefore demonstrate from a scalability perspective from 1 million tons per annum to 5 million tons per annum. The profitability /bankability for the entire Project and the Concession Fee offered is evaluated as a whole in the evaluation of a Bidders business case and Concession Fee Offer, as specified in Part III (Evaluation Criteria) of the RFP.</p>
5	<p>With reference to clause 4.4, please clarify whether the Common User Infrastructure must be completely independent of the Terminal Infrastructure and Equipment. For example, should the LNG road loading facility have a stand-alone control system, LNG storage, boil-off-gas management system, etc., or can such systems be integrated with the Terminal Equipment?</p>	<p>The Common User Infrastructure must firstly be designed in such a manner that will enable the safe and efficient operation of the facilities and secondly be designed in a manner that will enable any subsequent terminal operators to use such Common User Infrastructure with the own terminal infrastructure and terminal equipment. The integration should be of such a nature that there is no operational disruption when a new Terminal Operator takes over at the end of the Concession.</p> <p>Common user infrastructure refers to: means loading arms, pipe racks, pipelines, interconnection manifolds, flow meters and the like as is more fully described in the Concept Infrastructure Design Specification (Annexure C);</p>

6	<p>Clause 4.5 indicates that bidders must submit "fixed all-inclusive lump sum capital costs", but this normally requires a bankable feasibility study level of project definition (rather than pre-feasibility as per clause 5.1). Are bidders permitted to qualify the capital estimates, or should bids include sufficient contingency to cover design development and delivery risks.</p>	<p>The qualification of capital estimates must be thoroughly explained. If view that this aspect will be subject to negotiation with the appointed Terminal Operator and independent assessment by the TNPA, Bidders should note however that the acceptance of the Bidders fixed price estimates remain within the absolute and sole discretion of the TNPA.</p>
7	<p>Clause 6.3 indicates that bidders should submit "preliminary" cost estimates and BOQs, however clause 4.5 indicates that "fixed" prices are required. Please clarify. We believe that given the level of detail it will be near impossible to provide a fixed price in the proposal.</p>	<p>Please see response to question 6 above.</p>
8	<p>With reference to section 8, does the 25yr concession period commence upon signature of the TOA, or from commercial operation date? We would propose that it starts from COD because that is when the project will begin to have cash earnings.</p>	<p>The concession period is an all-inclusive period, which means that development and commissioning of the facility takes place within this 25-year period. Bidders who seek a longer Tenure must submit a detailed motivation for an extended concession period, but should note that this will not be taken into account in the evaluation of Bids and will only be considered during the negotiation of the Terminal Operator Agreement.</p>

9	With reference to clause 9.3, should the bidders provide pricing options for all three scenarios?	The position provided for in paragraph 9 of the RFP records the TNPA position on the handover and transfer of the Terminal. Bidders are to note that the evaluation criteria as set out in Part II and Part III does not require that any proposals in respect hereof be made.
10	With reference to clause 9.4, should the bidders provide pricing options for both scenarios?	See response to question 9 above.
11	With reference to clause 10.1.2, Annexure B only shows one site (not two). Please clarify	NB - I think we wanted both the waterside and landside - suggest we issue a revised Annexure B that covers this
12	With reference to clause 11.1, does the common-user principle apply to LNG supply or only offtake? i.e. Must the terminal cater for multiple LNG suppliers?	<p>The intent of this principle is to discourage anti - competitive exclusionary conduct by the Terminal Operator.</p> <p>The RFP does not distinguish between LNG Suppliers. If a Bidder or the appointed Terminal Operator is an LNG supplier, it must endeavor to grant all new users access to the facility.</p>
13	With reference to clause 11.1.2, NERSA's Guidelines for Monitoring and Approving Piped-Gas Transmission and Storage Tariffs (Doc. 32A - Annexure GG) appears to only provide a tariff mechanism for 'regas infrastructure'. Please confirm whether liquid/cryogenic LNG transfer and loading infrastructure should follow the same tariff mechanism.	<p>As NERSA is the relevant and duly authorized Regulatory Authority, Bidders must engage NERSA and make its own assessment on the scope of this regulatory authority. It is TNPA's expectation that the Terminal Operator complies with all and whatever requirements that NERSA, by law may prescribe.</p>

14	With reference to clause 40.1.1.5.6, 12mths is an unrealistic timeframe to conduct EPC of the Port, Common User, Terminal Infrastructure and Equipment. Will bidders be disqualified if they propose more realistic timeframes?	No. This clause must be read with clause 19.3.4 and 19.3.5 and the methodology for evaluating a Bidder's Project Schedule as part of Part III Stage 1 evaluation.as set out in paragraph 76.3.9.2.4. of the RFP.
15	With reference to Section 76 (Evaluation Criteria), the methodology does not adequately incentivize a least cost tariff solution. Final selection on the basis of highest concession fee, could result in high infrastructure tariffs.	As pointed out at the Briefing Session the TNPA will undertake a due diligence as set out in paragraph 77.2.1. of the RFP, which includes a financial risk analysis of a Bidder's Business Case. An aggressive concession fee offer, which is out of sink or is unrealistic in relation to the entire Business Case may constitute an objective ground not to award to a particular Bidder. It is for this reason that Bidders are required to include in its financial model assumptions the NERSA Tariff methodology.
16	Table 76.2 and 76.3.9.2.6 business case components add-up to 90 (not 100)	This is an incorrect tabulation of the point allocation and is corrected as follows: The point allocation for Capital Expenditure in 76.3.9.2.2.5. will increase of 10 to 15. The summary of the Business Case Components will and should be read as follows: - Market Analysis - (20) - Financial Management Plan (25) - Operating Model (15) - Project Schedule (20) - Preliminary Design (20)
17	Please clarify whether or not it is the responsibility of the Terminal Operator to negotiate the Terminal Use Agreements (TUA's) or it will be provided by a third party? This has a significant impact on the effort and time required to complete the Proposal for RFP response.	Terminal Operator will be expected to negotiate and agree on the Terms of the Terminal User Agreements.

18	It is not specified on the RFP whether or not an LNG supplier is permitted to also be a Terminal Operator (bundled gas solution approach)? Please clarify.	There are no restrictions on eligibility for participation in this RFP. It is therefore open for an LNG Supplier to Bid. It must however be noted that this does not and shall not be construed as a license to engage in anti - competitive and exclusionary behavior by the appointed Terminal Operator. TNPA will exercise strict oversight over such conduct.
19	We would like to request three (3) months extension. This will assist us to 1. Negotiate and finalize the consortium agreement, 2. Prepare the proposal meeting all the TNPA requirements, taking all the clarifications into account). 3. Confirm the LNG Terminal Use with either LNG supplier or aggregator. negotiating agreements (especially 1 & 3 above) takes time and given the closer in December 2022/ January 2023, most of these discussions have only just begun.	Briefing note 3 has been issued and this has been catered for in a three (3) months extension.
20	Should the scope and pricing include spares (capital, commissioning, and operational spares)?	The appointed Terminal Operator will be responsible for funding, construction, commissioning, operation and maintenance of the LNG terminal for the duration of the concession period i.e. 25 years. The equipment and spares for the terminal operations are the responsibility of the terminal operator
21	What is the terminal uptime/availability requirement?	99.5% terminal availability
22	What is the terminal design life?	In line with best international practice, the marine infrastructure design life shall be 50 years

23	What LNG specification range should the terminal handle?	Based on gas supply agreements, origin and minimum design and operating conditions of the LNG terminal, the bidders are expected to propose the specifications of the gas.
24	What piped-gas specification is required?	Based on gas off-takes, the bidders are expected to propose the specifications of the gas. This will be in line with the equipment design and operating condition. Including the battery limits conditions for the end-user(s) of the gas
25	Is nitrogen generation plant required to ballast LNG to piped-gas spec?	This is open to bidders to recommend based on the designs and operational requirements.
26	Is there a maximum amount for a port concession that can be bid for the RFP? How does the RFP exclude / adjust for any off-market bid made by an individual entity?	All Bids will be evaluated against the set evaluation criteria. There is no maximum amount that can be bid for in the RFP.
27	Will the list of companies who attended the briefing on the 25th Jan be shared with everyone?	Yes, this has been shared.
28	Do the questions need to be raised on Transnet Tender portal or shall emailed questions in an attachment be answered	All questions, queries and comments are to be directed to the Project Office, email address: richardsbaygasrfp@transnet.net
29	Can the timeline for raising questions be extended considering the questions raised to date have not been answered and many more questions may be generated based on responses received.	Briefing note 3 has been issued and this has been catered for. Refer to briefing note 3

30	Can there be an extension by 3 months for submission of the RFP response considering a) responses to questions have not yet been shared and b) the need to form binding agreements amongst joint bidders before an RFP response can be prepared	Please see response to question 19 above.
31	To provide a fast-track flexible solution we are considering having an FSU and Onshore Regas as the most effective solution in today's market. Will the land earmarked for LNG Storage in Slide 5 on the Briefing session held of Jan 25th be made available as a part of winning this tender?	If a Bidder is able to demonstrate a viable business case, for such a development, it is at liberty to include same in its Bid Response. The RFP does not prescribe a preferred logistic solution for the import of LNG. Bidders are therefore at liberty to submit proposals which would best serve and respond to the needs of the project noting that land for the potential development of land side LNG storage facilities is available. See response to question 33 which sets out the description and extent of the land.
32	When will Berth 210 be made available for market participants for LNG? The answer to this impacts the competitive positioning of Berth 207 and will therefore be an important consideration in the bid.	In terms of the Port of Richards Bay Master Plan Berth 210 is not intended to be used for LNG and bidders are required to take note that berth 207 is the berth designated for LNG handling.
33	Please clarify how many square meters of land area is made available as a part of this RFP	Land Storage: Site 1 - 130 452 square meters Site 2 - 154 084 square meters Refer to Technical Engineering Report: Section 3.10
34	Please share updated Annexure B that clearly earmarks land area earmarked for this RFP	Refer to Technical Engineering Report: Section 3.10

35	In case the EIA of the terminal is delayed - what are the consequences on the RFP process	If the delay is not occasioned by any act or omission whether negligent or not on the part of appointed terminal operator, TNPA within its sole description may afford the appointed terminal operator a reasonable opportunity to secure same while retaining its right to terminate the Terminal Operator Agreement.
36	How does the port ensure the terminal provides necessary flexibility in the future as LNG storage needs of the country increase? In case of FSRU solution pursued by eventual winner the storage capacity might be locked in for a period of 15 years with limited capacity to expand.	Refer to the response to question 32 above.
37	What are the rights of an eventual winner of Berth 210 on the Pipelines built by winner of the current RFP	Please refer to the response to question 32 above.
38	What tugs are currently available in Richards Bay - Please share number and specifications	<p>TUGS:</p> <p style="padding-left: 40px;">Uhuva - 36 ton bollard pull</p> <p style="padding-left: 40px;">Iphothwe - 70 ton bollard pull</p> <p style="padding-left: 40px;">Lilani - 70 ton bollard pull</p> <p style="padding-left: 40px;">Indlazi - 55 ton bollard pull</p> <p style="padding-left: 40px;">Ukhozi - 70 ton bollard pull</p>
39	Under PoRB LNG RFP Pub Version Final_15Dec 2022.pdf (Page 8 of 110) a reference is made that TNPA reserves the right to only partially award the Project or to only partially conclude the TOA. TNPA would consider undertaking a part of the project itself or split the award of the project to several parties. (1.8.8 until 1.8.11). What is the underlying rationale for this?	The TNPA will evaluate all bids received and it may be that the TNPA identified alternative solutions which will not require the appointed Terminal Operator to deliver all aspects of the Project. It is this context that the TNPA may deem it prudent to so.

40	If TNPA elects to only award a portion of the project or conclude the Terminal Operator Agreement (TOA) for a portion of the proposed services, is a party entitled to withdraw its bid submission?	Yes
41	What is the intended commencement date of the 25 yr. concession period?	The concession period is inclusive of the development period, the negotiation of the Terminal Operator Agreement will need to be concluded within 4 months of date of award.
42	Financial Close is not defined in the TOA.	This is an error. Bidders are to note that this is the date when all finance agreement with Lenders become unconditional and Lenders are prepared to disburse the funding applied for by the Terminal Operator.
43	Is the reference to "Financing Agreements" intended to refer to the definition of "Finance Agreements" in the TOA?	Yes
44	"Key Contractor" is not defined save for the reference to the Lead Member being a 'key contractor'. The term is used throughout the RFP document; however, in the plural form. Accordingly, is the intention for the Lead member to be the sole key contractor?	The RFP is premised on the envisaged scale which would ordinarily land itself to the formation of joint ventures in which each member has a distinct contribution to make to the project, through the joint venture. In addition, reference to key contractors is premised on the prospect that bidders may enter into arm's length subcontracting agreements and supply agreements to enable it to deliver the project it is not the intent for the lead member to be the sole key contractor.
45	Presumably the reference to 'Experience Worksheet' in the body of the definition should refer to the 'Operational Phase Value Summary Worksheet'?	Correct - Experience Worksheet should be Operational Phase Value Summary

46	Given that the common user infrastructure may be constructed and commissioned by a third party, but operated and maintained by the terminal operator, what guarantees will the terminal operator have in place in respect of the functionality of the common user infrastructure?	If this does eventuate, TNPA will ensure full alignment between the Terminal Operator and the developer of the Common User Infrastructure on the design and specification thereof.
47	Does this imply that the price of the construction may be independent determined notwithstanding the actual costs incurred by the Terminal Operator if it takes on the construction and commissioning of the port/common user infrastructure?	As mentioned in paragraph 4.7. the TNPA and the appointed Terminal Operator will enter into negotiations. The intent is to be as realistic and practical as possible and to manage costs. As an organ of state, TNPA is obliged to ensure that it received value for money.
48	Clause 4.9.1 of Main RFP document refers to a clause 4.8.5 which is missing	This is a typographical error and should be 4.9.5
49	Is the reference to clause 4.8.5 intended to be a reference to clause 4.9.5?	Yes
50	Is the reference to 4.8.1 intended to be a reference to 4.9.1?	Yes
51	The transfer at no cost to TNPA should be qualified in that it should be a delay attributable to the negligent conduct of the Terminal Operator.	No - TNPA's right to step in occurs irrespective of whether or not the Terminal Operator is in breach or default or not.

52	What additional agreements are anticipated? If the Terminal Operator is not attending to the construction/commissioning of the port/common user infrastructure will any agreements related to such parts of the project be required to be obtained by the party responsible for those actions?	This was included in anticipation that the appointed Terminal Operator, may as part of its operations require land which fall outside Port Limits.
53	At what stage will a Terminal Operator know whether TNPA is willing to grant a tenure longer than 25 years?	The Terminal Operator must properly motivate for a longer tenure as per paragraph 8.2. of the RFP. Please refer to response to question 8 above.
54	At what stage is it envisaged that the Terminal Operator will be reimbursed? Staged approach or only upon the handover of the port infrastructure/common user infrastructure?	TNPA intends re-imbursing on handover of the Port Infrastructure and Common User Infrastructure.
55	Site 1 and 2 are not marked on Annex B.	Refer to Technical Engineering Report: Section 3.10
56	What is the land area included in the RFP? The Clause 10.1.2 of the main RFP document clearly indicates Site 1 and Site 2 to be marked on Annexure B that would specify the land area, but no such marking can be seen in Annexure B. It is important to have the	Land Storage: Site 1 - 130 452 square meters Site 2 - 154 084 square meters Refer to Technical Engineering Report: Section 3.10
57	Is it possible to specify the extent of available onshore and offshore area in square meters available for the RFP?	Refer to Technical Engineering Report: Section 2.3 and 3.10

58	<p>RFP Includes in Clause 12.2 on Page 32 of 110 a statement of TNPA right to negotiate an upfront Concession Fee payment. What does this imply? Will this be a discounted payment? Can the preferred bidder decline to make an upfront payment?</p>	<p>The terms of payment of the concession fee is a matter for negotiation in the TOA and an assessment in respect hereof will be made after considering the Preferred Bidders business case with due regard to the commercial viability and bankability of the Project</p>
59	<p>Clause 19.3.3 requires the Terminal Operator to:</p> <p>“Complete the Construction and commence Operation of the whole Terminal within 24 (twenty-four) months on receipt of a positive record of decision in relation to the Environmental Impact Assessment (EIA) from the DFFE in respect of the Project and upon the submission and approval of the detailed designs by the terminal operator to TNPA;”</p> <p>Clause 19.3.4.4 requires the Terminal Operator to:</p> <p>“complete the Construction and Commissioning of the Terminal with 24 months of receipt of the necessary Environmental Consents.”</p> <p>The two clauses need to align.</p>	<p>They are aligned, to clarify the Terminal must be commissioned within 24 months of a positive environmental authorization which is the equivalent to an environmental consent.</p>

60	<p>Clause 19.3.4.2 mentions a period of 12 months for acquiring all Consents. Does this include EIA approval as well? We understand that the process for an EIA may take longer than 12 months. What will be the consequence of waiting for an EIA approval?</p>	<p>Refer to response to question 8 above.</p>
61	<p>Clause 19.4 of the RFP document requires a marked-up version of the Terminal Operator Agreement be included in the RFP Submission. Can an MS Word version of the Terminal Operator Agreement be provided in order to ease the process of submitting a mark-up?</p>	<p>Yes - a copy thereof is attached</p>
62	<p>Is the return date intended to be the earlier or later of the two dates referred to?</p>	<p>The earlier of the 2 dates.</p>
63	<p>Does this clause give TNPA the right to call down on the guarantee in circumstances where the Terminal Operator Agreement has not been signed timeously due to a breakdown in negotiations?</p>	<p>The circumstances within which the TNPA may call up the Guarantee are set out in clause 40 of the RFP.</p>
64	<p>If a party is entitled to withdraw its bid (see query posed in respect of clauses 1.8.8 to 1.8.11) is TNPA still entitled to call down on the guarantee?</p>	<p>Please see Clause of the RFP which sets out the grounds for forfeiture of a guarantee.</p>

65	Should the date for the commencement of construction not, in addition, be tied to EIA approval?	This is the expectation, however there is an appreciation that there may be administrative and logistical matters that need to be closed out after financial close which may impact of the actual commencement of construction.
66	Presumably reference to clause 40.4 is meant to refer to clause 45.4?	Yes, this is a typographical error.
67	75.2.4.2 vi) asks us to submit financial advisors' declaration of interest. In case there is no external financial advisor used, will this submission be exempt?	Bidders are to expressly state that no external financial advisors will or have been used, for this requirement to be waived.
68	The point allocation for 'business case' is incorrect as the parts to it add up to 90 as opposed to 100: <ul style="list-style-type: none"> - Business Case (100) - Market Analysis (20) - Financial Management Plan (20) - Operating Model (15) - Project Schedule (20) - Preliminary Design (15) 	Please see response to question 16 above.
69	Correction required - technically 4 does not fall in anywhere as it is greater than 4 not greater than or equal to 4.	Correct - it will be => that 4 years and <6 years will be 2 points and the same will apply to 6 to 9 Years and 9 years and above
70	How does the requirement to provide "projected" forecasts tie in with such projections being binding? For instance, the market may change between the period of bid submission and start of operations.	TNPA are mindful of this prospect, Bidders are to provide a substantive market analysis. The Binding nature thereof and the extent to which a Terminal Operator will be expected to meet the projected targets would be the subject matter of negotiation between the parties.

71	The mentioned certificates/documents are for the operating terminals or for the parent organization itself.	TNPA will accept certifications from both Holding Companies as well.
72	Refer to Annex D provided in second point, while there are 8 parts of Annex D, exactly which one it is referred to?	The intent is to provide context and integration between the terminal design and related and enabling infrastructure and associated infrastructure.
73	Will there be any events that permit an interruption to the periods mentioned?	Could not find this clause
74	Annexure S is not uploaded. Please confirm when this can be shared.	Please find attached herewith
75	There is no Annexure D or D6 uploaded. Within Technical Information Pack only D1, D2, D3, D4, D5, D7 and D8 can be seen. Please confirm that this is the complete set for Technical Information Pack	Provided herewith
76	Need to be amended as they incorrectly refer to the Port of PE.	Please find attached herewith the amended Annexures
77	Clarification required on what is meant by 'complies with the requirements of any protocol issued by TNPA'?	It's a protocol issued by TNPA in response to circumstances which may arise when the validity of the guarantee comes into question or becomes an issue. TNPA as an organ state will always be guided by the requirements of administrative justice when issuing such protocol
78	What if the failure to conclude the Terminal Operator Agreement or to render the services within 24 months is attributable to matters outside of the Terminal Operator's control (and not limited to force majeure events)?	The facts and circumstances of each case or instance will be assessed on its merits.

79	With regards to the 25 year concession period, request that the clause be amended to make it clear that the 25 year concession period does not include the construction period / period to obtain necessary consents.	Please see response to question 8 above.
80	The annexures listed do not correspond with the actual annexures of the RFP?	Please find attached amended annexures.
81	Clause 5 needs to be amended to allow the sharing of confidential information with "legal and financial advisors".	Please find attached amended NDA however it remains the bidders responsibility to manage its relationship with its transactional and legal advisors and TNPA will accept no direct or indirect responsibility, therefore. In addition, bidders are requested to be diligent and guard against any conduct which may be construed as collusive tendering.
82	Requires amendment – incorrectly refers to Port Elizabeth Tender.	Please find attached amended annexures.
83	The table of clauses in the RFP document listing the clauses which cannot be amended is incorrect as the clause numbers do not always match the clause description. Request that a correct table be issued by TNPA.	Please find attached amended annexures.
84	The Contents Table is divided into 'parts'. "Part VI" is missing; however, it is specifically referenced in the Agreement. TNPA requested to update the contents table.	Table of contents does not make reference to Part VI

85	<p>The definition of 'Decommissioning Costs' in the TOA (clause 1.1.35) talks to the costs of 'decommissioning each of the Terminal infrastructure' but then goes on to state that the costs include 'securing, making safe, decommissioning, isolation and closure of the LNG Terminal and supporting infrastructure' which then includes the Port and Common User Infrastructure by virtue of the definition of 'LNG Terminal.' Accordingly, is the Terminal Operator only responsible for the costs associated with the decommissioning of the Terminal Infrastructure?</p>	<p>Yes, including as maybe applicable the decommission and removal of any movable terminal equipment.</p>
86	<p>Clause 4.1 of the Agreement provides that the Terminal Operator Agreement will continue for a period of 25 years from the effective date (which is the signature date). Accordingly, this results in the 25 year concession period including the construction period and the period required to obtain necessary approvals such as the EIA. TNPA to please clarify the intended start date of the 25 year concession period?</p>	<p>See response to question 8 above.</p>
87	<p>Correction Required: 'Operating Term' is defined twice.</p>	<p>This is a typo. Clause 1.1.80 refers to operations.</p>
88	<p>Is the definition of 'Port Infrastructure' intended to incorporate 'Common User Terminal Infrastructure'?</p>	<p>No Refer to definition if Port Infrastructure Clause 2.1.8.3 and Common User 2.1.2.4 of the RFP.</p>

89	At present what rights of way or way-leaves are in place in respect of the Project Site to which the successful bidder would be bound?	Refer to Technical Engineering Report: Refer to section 2.4 and 3.10
90	The operator is required to submit inspection and maintenance reports to TNPA. Consider including a mechanism which will extend the lease term if certain continuous investment criteria are met?	Please refer to response to question 8 above with regards to extension of the concession period.
91	Would it be possible for TNPA to offer the site - build ready?	This will be subject of discussion and negotiation. This is an un-developed site; the site is not built ready. From the business case, the bidders may identify the bulk utilities to negotiate this with TNPA.
92	It seems the 25 year term of the TOA is inclusive of development (pre-FID) time. This limits the time that the developer can be reimbursed for investments, question is if 25 year term can start at the time of RFO.	Please refer to response to question 8 above with regards to extension of the concession period.
93	An unconditional bank guarantee for 3 months of concession fee is unnecessarily increasing the cost of running the site and redundant, especially in relation to all other performance guarantees that are in place. Can this be left out?	This is a negotiable matter. Bidders must demonstrate why any of TNPA's requirements are not feasible, economically viable for the project. This will be considered at the negotiation stage.

94	Berth and common user infra are to be built and transferred - Terminal Operator requires a reasonable return for this. Consider ownership with Terminal Operator for 25 years, build, own, maintain and then transfer it? Is the proposed approach in the TOA smart from a fiscal point of view (may lead to transfer tax?)	As per paragraph 4 on RFP "TNPA will re-imburse the bidders". The common-user infrastructure will be transferred to TNPA on payment and the ports infrastructure will be transferred to TNPA on payment after a period of time.
95	Any notice of termination leads to option to purchase for TNPA.... also if Terminal Operator gives notice because TNPA defaults under the contract	Yes, this is the case. This is clearly set out in Clause 48 "Effects of Termination".
96	Quantitively penalties overall. what happens when BEE status goes down by 1 level? Are there also incentives if certain criteria improve?	This is negotiable. In general, in respect of the TOA, the bidders must provide mark-ups and substantiations for their mark-ups and this to be included in the bid response. Bidders must state the basis of the proposed amendments.
97	Terminal Operator needs to have the right to in- or decrease its shareholding without losing control, this needs to be reworded.	The right is there/granted subject to TNPA's approval. There is no need to amend this Clause.
98	Who is the outgoing terminal operator? Reads like the site will be occupied by another tenant before the lease with the preferred Terminal Operator commences?	There is currently no Terminal Operator.

99	Reference is made to municipal Operation and Maintenance and Utilities provided in respect of the Project Site, rates, Taxes, charges, levies, assessments, or any equivalent taxation which may at any time be levied by a Relevant Authority. Can TNPA include a current estimate of these costs going forward?	No. TNPA cannot issue an indicative number on what these taxes will be. Bidders are encouraged to conduct their own research, due diligence, and investigations in respect of what the taxes are likely to be should they be appointed as the terminal operator.
100	Clause indicates Terminal Operator will install utilities on site. Where to include TNPA's responsibility to ensure that sufficiently reliable and sizeable utilities etc. can be made available at the site?	Refer to Technical Engineering Report: Section 2.4
101	Clause indicates Terminal Operator needs to ask for consent for clearing the site as well. Ideally this is TNPA responsibility as well.	Yes, the bidder will be responsible and will obtain consent from TNPA as this obligation is as in terms of this project structure is transferred to the terminal operator.
102	Please share relevant information on rights of way or easements (not) in place that may impact our operations?	At this stage TNPA does not have nor foresee any information in this regard. However, if there is any matter(s) arising, TNPA will revert back to the bidders
103	Clause indicates that TNPA approval is required to market user capacity... that is unusual and unworkable for Terminal Operator	This is to ensure that the marketing material is inline and consistent with TNPA and Port rules and policies. Such consent will not be unreasonably withheld.
104	Clause covers performance measures, which are expected to include a.o throughput, which should not be applicable to LNG.	In terms of the Port's assessments as per market analysis, there is demand. It is also international best practice; minimum throughput of volumes is something that TNPA needs to track from a utilization of capacity perspective.

105	This clause implies that TNPA will provide tug service. Please confirm TNPA will. Also please confirm that TNPA will take care of capital and maintenance dredging.	TNPA will undertake maintenance dredging. The party responsible for constructing the marine infrastructure will be responsible for Capital Dredging. The potential bidder needs to identify site for capital dredging.
106	Several schedules that can in place already are not. Please include.	These schedules will be part of agreement and will be resolved during negotiations. The finalization thereof would take place during the negotiations with the preferred bidder

All questions, queries and comments are to be directed to the Project Office, email address: richardsbaygasrfp@transnet.net

Yours sincerely

Project Office

Briefing Note No. 4 – Port of Richards Bay