

BRIEFING SESSION : BR/EOI/2023-24 (01) & HOAC_HO_42283



REQUEST FOR INFORMATION [RFI] / EXPRESSIONS OF INTEREST [EOI] - are sought to obtain information from the market to enable Botswana Railways and Transnet to prequalify interested companies willing to undertake the Funding and Development of the Proposed New Railway Corridor underpinned by the Construction of the New Rail Link between Mmamabula (Botswana) and Lephalale (South Africa), i.e., the Mmamabula-Lephalale Rail Link.

DATE: 21 July 2023

AGENDA



Opening and Welcome

Supply Chain

Background and Scope of Requirements

Technical

Joint Ventures

Supply Chain

Instructions for completing the RFI/EOI

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Questions and Answers

ALL

Closing

Opening/Welcome

- Respondents will be given an opportunity to ask questions at the end of the entire presentation.
- Clarification questions and responses thereto will be provided:
 - Via email to Respondents who have provided the correct contact information;
 - Via the various portals in SA and Botswana under the RFI/EOI advert. Please ensure that you check these adverts until the closing date for any addenda and clarifications.
- All verbal questions are to be submitted in writing after the briefing session and we will provide a written response. No verbal feedback must be construed as binding until it is put in writing.
- Any outstanding answer(s) to Respondent(s) from the briefing session will be communicated to all the Respondents within five working days after the briefing and loaded on the adverts as well.
- The session is being recorded for minute taking purposes. When asking questions, please state name and company clearly.
- General disclaimer: This briefing session must not contradict the Published RFI/EOI and its Annexures. Should there be any errors, acts of omission or misinterpretations, then the RFI/EOI and Annexures will take precedence.

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Transnet is the custodian of ports, rail and pipelines in SA



Transnet Freight Rail

- 31 000 km of railway track (80% of Africa's total rail)
- 1,500km dedicated heavy haul
- Operates 1200 trains per day



Transnet Engineering

- Support TFR for rolling stock and TPT for lifting equipment maintenance
- Eight product-focused business, 143 depots, six factories.



Transnet National Ports Authority

- 8 Commercial ports along 2 798 km of coastline
- Plan, provide, maintain and improve port infrastructure
- Providing marine-related services, including dredging, aids to navigation, ship repairs and marine operations



Transnet Port Terminals

- 16 Cargo Terminals (68 berths) operating across 7 ports
- Containers, mineral bulk and agricultural bulk and Ro-Ro (roll on/roll off)



Transnet Pipelines

- Transports 100% of South Africa's bulk petroleum products
- 18 billion litres of petroleum products and gas through 3,800 km of pipelines-



Transnet Property

- Manages 13% of Transnet's total property portfolio of commercial and residential properties
- One of South Africa's most significant property owners.
- Provides specialised property services including valuations, municipal valuation roll analysis, land surveys, drawing of plans and deeds management.

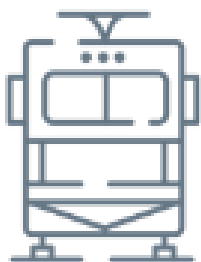
Botswana Railways is the custodian of rail logistics in Botswana



Botswana Railways (BR) is a commercial enterprise of the Government of Botswana established through an act of Parliament in 1986, CAP 70:01 as a rail transport organisation wholly owned by the Government of Botswana. Botswana Railways offers seamless, rail-based transport logistics solutions to customers needing to move a range of commodities for the mining sector and primary industries.

Mandate

- The primary mandate of Botswana Railways is to provide an efficient, cost effective and safe transportation of bulk goods and passengers.
- The Botswana Railways Act was amended in 2004 to allow the organisation to venture into other business opportunities e.g., Joint Ventures.



Commodities

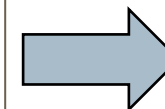
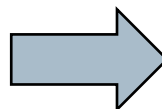
- ❖ Cement
- ❖ Coal
- ❖ Copper
- ❖ Fuel
- ❖ Salt
- ❖ Soda Ash
- ❖ Containers
- ❖ Grain
- ❖ General goods
- ❖ Parcels

Exported Commodities

- Salt
- Coal
- Soda Ash

Imported Commodities

- Cement
- Fuel



Background

- The Mmamabula-Lephalale Rail Link Project is a strategic initiative of Botswana Railways and Transnet to develop a new rail link from Mmamabula (Botswana) to Lephalale (South Africa) to facilitate trade within the region through transportation of bulk commodities.
- The initiative to develop the Mmamabula-Lephalale Rail Link dates as far back as 2011 when BR concluded a prefeasibility study of the section of the project in Botswana. TFR also carried concept studies of developing the rail link in South Africa. Although some progress was made in developing sections of the link in South Africa, the development of the link is now being accelerated as a bilateral project that is supported by the governments of Botswana and South Africa.
- The objective of the project is to unlock Botswana's mineral resources by establishing a new railway corridor which will link the mines in Botswana to South Africa's ports. A large portion of the corridor exists in both countries but requires the development of the proposed rail link to complete it.

Background



- The pre-feasibility study of the Mmamabula-Lephalale Rail Link is in progress and expected to be completed by September 2023.
 - The route of the proposed Mmamabula-Lephalale Rail Link has been identified and will be approximately 113km long, with 68.9km located in Botswana and 44.1km located in South Africa.
 - The entire 68.9km in Botswana will be a greenfields development. In South Africa, 17.1km will be greenfields and 27km will be brownfields.
 - The Mmamabula-Lephalale Rail Link will have a capacity of approximately 24 million tonnes per annum, operated at 20 t/a. The substructure should be designed and constructed at 26t/a and the superstructure may be constructed at 20t/a.
 - In order to unlock the full capacity of the Mmamabula-Lephalale Rail Link, the adjoining railway networks will have to be upgraded:-
 - For Transnet, this will include upgrade of the lines in the Waterberg area (Stage 4) which will unlock 24 mtpa.
 - Secondly, The Multiple Purpose Terminal (MPT) in the port of Richards Bay will have to be upgraded to ensure port capacity to accommodate Botswana volumes.
 - For Botswana Railways, this will include upgrade of the line from Morupule Coal Mine to Mmamabula (140 km) including building new crossing loops to accommodate additional volumes from the mine.
 - The Mmamabula-Lephalale Rail Link will be operated as one seamless service with no stopovers at the South Africa/ Botswana border.

Proposed Link

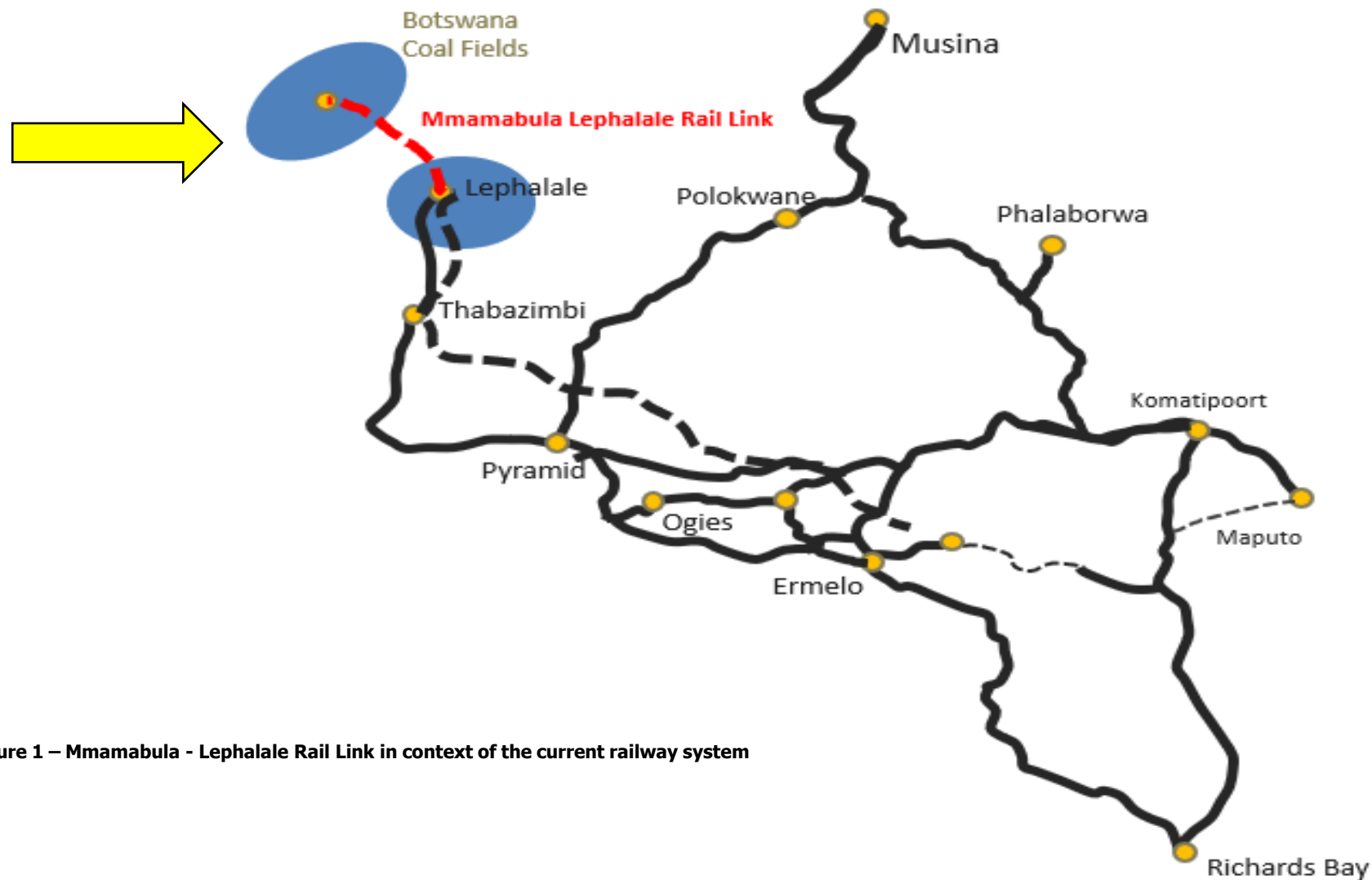


Figure 1 – Mmamabula - Lephale Rail Link in context of the current railway system

Proposed Link

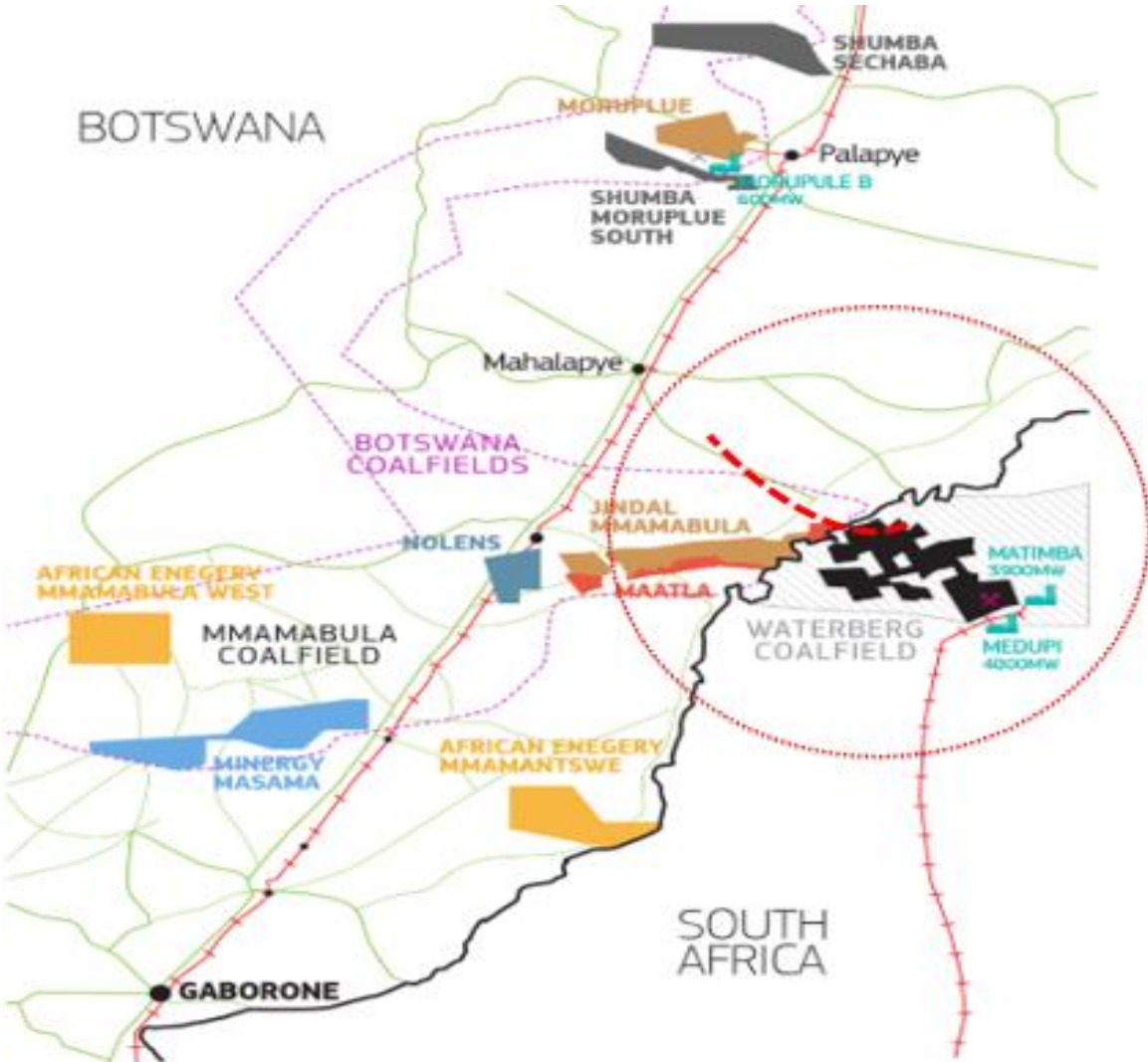


Figure 2 – Botswana and Waterberg Coalfields

Background



- On completion, the Mmamabula-Lephalale Rail Link is expected to deliver significant socio-economic benefits to Botswana Railways, Transnet and the region. Some of these benefits will include:-
 - A significant boost to the rail capacity of Botswana Railways and Transnet;
 - A shift from road to rail and as a result of easing off the burden on the region's road infrastructure.
 - Improved regional integration and connectivity.
 - Job creation during the construction phase of the project.
 - Economic opportunities for small and medium enterprises.

PROPOSED APPROACH TO DEVELOPING THE MMAMABULA-LEPHALALE RAIL LINK



- Botswana Railways and Transnet intend to develop the Mmamabula-Lephalale Rail Link as one single project encompassing the work in Botswana and South Africa.
- The upgrades of the railway network in Botswana and in South Africa will be executed separately under the management of Botswana Railways and Transnet respectively.
- The development of the Mmamabula-Lephalale Rail Link project is supported by the Government of Botswana and the Government of South Africa
 - Botswana Railways and Transnet intend to develop the rail link in partnership with the private sector and other interested parties.
 - Transnet and Botswana Railways are seeking interested and capable partners to develop the project.
 - In order to minimize the risks of the project to potential partners, Transnet and Botswana Railways have committed to support the project by:-
 - Completing the pre-feasibility study of the project;
 - Obtaining their respective governments' support for the project;
 - Acquiring the land in Botswana only. The service provider will be required to acquire the land in South Africa.
 - Lending their expertise to the project as logistics operators;



PROPOSED PARTNERSHIP REQUIREMENTS

- Based on the objectives and scope of the Mmamabula-Lephalale Rail Link project, Botswana Railways and Transnet are seeking for suitable partners to provide Information on how to Fund and Develop the project by executing the following works:-

- **Project Funding**

Botswana Railways and Transnet will be seeking suitable partner(s) to Fund and Develop the Mmamabula-Lephalale Rail Link. Approximately BWP3 billion or R4,11 billion of funding (based on pre-feasibility estimates) will be required to execute the project, excluding bankable feasibility costs.

- **Bankable Feasibility Study**

Botswana Railways and Transnet will be seeking for suitable partners to fund, conduct and produce a bankable feasibility report for the Mmamabula–Lephalale rail link. This will constitute but not be limited to all environmental approvals, land acquisition, detailed engineering designs, operating model, economic and financial analysis.

- **Infrastructure Development**

Botswana Railways and Transnet will be seeking for suitable partners to develop the 113km rail link from Mmamabula (Botswana) to Lephalale (South Africa).

- **Rolling Stock**

Botswana Railways and Transnet anticipate the development of the new railway corridor to increase the need for rolling stock (wagons and locomotives) to service customer needs. Botswana Railways and Transnet will be seeking for partners to provide information on how to deal with the additional rolling stock requirements to support the rail link and the increased volumes.

RFI/EOI SELECTION CRITERIA

- Respondents expressing an interest to participate in this RFI/EOI stage must qualify in terms of the minimum predetermined requirements and have the capability to provide the full range of Services
- The following selection criteria will be used as a guide for adjudicating Respondents.
- Specific detailed items that are important for the Respondent to consider in the response preparation process include:
 - Quality of presentation, reply to the RFI/EOI and attention to required detail during the selection process.
 - Compliance with the terms and conditions of the RFI/EOI documents.
 - Satisfaction of the project objectives.

TECHNICAL CAPABILITY

Botswana Railways and Transnet intend to develop the Mmamabula - Lephalale Rail Link as a turnkey project which will be enabled by rail network upgrades in Botswana and South Africa. The development of the new railway corridor will comprise the following deliverables:

- i. Funding the development of Mmamabula – Lephalale Rail link line on the 86km greenfield and 27km brownfield (partially built).
- ii. Construction of 86km greenfield railway from Mmamabula in Botswana, to the connection point at the Boikarabelo line in South Africa. Approximately 17.1km of the construction will be in South Africa inclusive of a bridge over Limpopo river and 68.9km will be in Botswana.
- iii. Completion of 27km of the Boikarabelo line that is partially constructed from the connection point all the way to the Network Stabilising Facility (NSF), subject to the current owner's consent.
- iv. Provide information on how to address the need for additional rolling stock for the project.

RFI/EOI SELECTION CRITERIA - QUESTIONS

Respondents are required to indicate their existing technical capability by answering the following questions:

FUNDING

It is estimated that the construction of the Mmamabula - Lephalale Rail Link will cost approximately BWP3 billion or R4,11 billion based on prefeasibility estimates. Botswana Railways and Transnet are seeking partners who will be able to invest in the project.

1. How much would you be able to invest in the project and what type of funding (grant, equity, loan etc.) would this be?
2. Who are your financing partners (if applicable)?
3. What would you require from Botswana Railways and Transnet in order to invest in the project?
4. What indicative terms and conditions would you have, if any?
5. BR and TFR do not intend to contribute financially to the project development due to limited resources. What transaction structure would the market propose that would still ensure BR and TFR's meaningful participation in the project? What indicative terms and conditions would this entail?
6. What key points should be taken into consideration when structuring this transaction?
7. Will a transaction advisor be required to advise on the structuring of this transaction?
8. Please provide evidence of similar projects that you have funded or invested in previously?
9. Considering that the link will be a "bridge" between BR and TFR's networks, what proposal would the bidder provide on how the link should generate revenue to repay investors?
10. Although this is a developmental project, it is aimed at unlocking Botswana's mineral wealth. What mechanisms would the bidder propose be put in place to achieve maximum utilization, and hence revenue, of the link?
11. Developmental projects of this nature take a long time to become financially viable. What strategies would be recommended to achieve financial viability?

RFI/EOI SELECTION CRITERIA - QUESTIONS

ENGINEERING, PROCUREMENT & CONSTRUCTION MANAGEMENT

Botswana Railways and Transnet intend to develop the Mmamabula - Lephalale Rail Link as a turnkey project which will be enabled by rail network upgrades in Botswana and South Africa.

12. BR and TFR intend to appoint one 'service provider' to develop the project. What legal and regulatory requirements/instruments that would be needed for this project to be developed as one?
13. What is your experience in design and construction of railway projects? Elaborate, giving examples of projects you have successfully worked on and completed. Name the client, project location, capital costs, etc.
14. The Mmamabula-Lephalale Rail Link project is to be undertaken in two countries, each having its own procurement guidelines. The Botswana regulatory body that governs procurement is the Public Procurement Regulatory Authority (PPRA). In South Africa the Preferential Procurement Policy Framework Act (PPPFA) governs Procurement guidelines. Provide a plan/approach to ensure compliance to their requirements on local content, local participation, and industrialisation whilst ensuring the project is efficiently delivered.
15. The South African regulatory body that governs construction projects is the Construction Industry Development Board (CIDB) and Association of Botswana Building and Civil Engineering Contractors being its equivalent in Botswana. How are you going to ensure that you comply to these regulatory bodies' requirements?
16. The Mmamabula-Lephalale Rail Link is a cross border project with work to be undertaken in Botswana and South Africa. This will likely impact on the movement of people, machinery and materials involved in developing the project. Propose a plan on how to mitigate this risk.
17. Have you developed any similar cross-border infrastructure projects? If so, please provide evidence of these and case studies, if possible.
18. Please provide suggestions on how the delivery of the project can be accelerated. Also detail the support that is required (if any) from Botswana Railways and Transnet to support the achievement of the said acceleration.
19. Botswana and South Africa have different labour laws and wage regimes such as minimum wage agreements, work permits, etc. Please provide suggestions on how these considerations and related risks can be managed to ensure compliance and efficient project delivery.
20. Please recommend appropriate project planning and communication tools to be used for developing the Mmamabula-Lephalale Rail Link Project.
21. Please provide suggestions of how stakeholder management can be handled as part of project planning and execution to ensure appropriate risks are identified and managed.



RFI/EOI SELECTION CRITERIA - QUESTIONS

ROLLING STOCK

Botswana Railways and Transnet anticipate the development of the new railway corridor to increase the need for rolling stock (wagons and locomotives) to service customer needs.

22. Would you be interested in funding the rolling stock for this operation? If so, please specify how will the funding be structured and the terms and conditions thereof.
23. Would you be interested in supplying the rolling stock? If so, then propose the transaction structure?

FREIGHT VOLUMES

The development of the Mmamabula - Lephalale Rail Link will unlock a general freight railway corridor with a carrying capacity of appropriately 24 million tonnes per annum. Transnet and Botswana Railways are seeking owners of freight, and related parties, who would be interested in utilising this new railway capacity.

24. Do you have commodities that will require transportation by rail? If so, indicate the types of commodities, the anticipated annual volumes and 10-year projections starting from 2025, including details related to commodity origins, destination, markets, etc.
25. Advise on the level of readiness of volumes that require rail transportation, as either being –
 - already operational;
 - advanced planning; or
 - concept level.
26. Would you be willing and able to commit to long-term transportation agreements? If so, under what conditions?

SOCIAL- ECONOMIC IMPACT

The project development will take place in the rural communities of Botswana and South Africa. Botswana Railways and Transnet wish to uplift the livelihoods of these communities by maximizing their participation in the development of the project.

27. BR and TFR would like to maximise the social economic impact of the project, particularly its contribution to creating jobs and business opportunities for the communities that live along the project site. What proposals are suggested to maximise this? How many jobs and business opportunities could this project provide? What preparations would be required to ensure maximum local participation?

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Joint Ventures

JOINT VENTURES OR CONSORTIUMS

Bidders may choose during the subsequent RFP process to enter into a Joint Venture. RFP Bidders will also be required to submit a signed JV agreement between the parties clearly stating the percentage [%] split of business and the associated responsibilities of each party.

If at the time of the bid submission such a JV or consortium agreement has not been concluded, the partners must submit confirmation in writing of their intention to enter into a JV or consortium agreement should they be awarded business by Botswana Railways and Transnet through the RFP process. This written confirmation must clearly indicate the percentage [%] split of business and the responsibilities of each party. In such cases, award of business will only take place once a signed copy of a JV or consortium agreement is submitted to Botswana Railways and Transnet.

Please indicate below whether your entity has an existing JV, and if so, provide details, including details of the percentage split of business, or whether your entity intends to create a JV relationship for RFP purposes.

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General Instructions

1. The RFI/EOI and all Annexures can be downloaded directly from Botswana Railways website <https://www.botswanarailways.co.bw/tender>
And In South Africa this RFI/EOI may be downloaded directly from National Treasury e-Tender Publication Portal at www.etenders.gov.za and the Transnet etender portal transnetetenders.azurewebsites.net free of charge.
2. The RFP closes punctually at **10:00am South African Standard Time on 15 SEPTEMBER 2023**. No late submissions will be accepted.
3. South African Respondents must register on the National Treasury Central Supplier Database (CSD) prior to submitting their bids. In the RFP stage, Business may not be awarded to a Respondent who has failed to register on the CSD. In order for the registration to be verified, Respondents are required to provide their reference number in Section 1: SBD 1 Form.
4. For specific queries relating to this RFI/EOI a Clarification Request Form should be submitted to Ankwetse Raditshego at 177787@botrail.bw and Mbuyiswa Sekele at Mbuyiswa.Sekele@transnet.net by no later than **25 August 2023** substantially in the form set out in Section 7. In the interest of fairness and transparency, Botswana Railways and Transnet's response to such queries will be consolidated and published on the Botswana Railways website, South African National Treasury e-Tender portal and Transnet website.
5. **No verbal communication will be permitted throughout this process, only email correspondence will be acknowledged within the specified timelines. No phone calls (by cellphone or on Microsoft Teams) regarding this RFI/EOI process may be made to any Transnet contact mentioned in this RFP document.**

Instructions for completing the RFP –Returnable documents

RFI/EOI reference: Section 5



MINIMUM REQUIREMENTS - RETURNABLE DOCUMENTS	SUBMITTED [Yes/No]
SECTION 1: SBD1 FORM	
SECTION 2 : Notice to Respondents	
SECTION 3 : RFI/EOI Scope of Requirements	
SECTION 4 : RFI/EOI Information	
SECTION 5 : REQUEST FOR INFORMATION / EXPRESSIONS OF INTEREST	
Proof of Eligibility:	
BOTSWANA	
a) Copies of valid Certificate of Incorporation/Business registration	
b) List of directors (Director's form)	

Instructions for completing the RFP –Returnable documents

RFI/EOI reference: Section 5



MINIMUM REQUIREMENTS - RETURNABLE DOCUMENTS	SUBMITTED [Yes/No]
c) Certified copies of identity of directors (Omang or passport where applicable)	
d) Certified copies of shareholders certificates	
e) Tax Identification Number (TIN) and Tax Clearance Certificate (TCC) Number or exemption thereof issued by Botswana Unified Revenue Service (BURS). The validity of the Certificate is to be verified online.	
f) Declaration by shareholding and directors of the respondent or consortium members including their nationality.	
SOUTH AFRICA	
g) TAX COMPLIANCE SYSTEM PIN	
h) CENTRAL SUPPLIER DATABASE REGISTRATION CONFIRMATION	

Instructions for completing the RFP – Other Essential Returnable documents

RFP reference: Section 5



ESSENTIAL RETURNABLE DOCUMENTS & SCHEDULES

In the case of Joint Ventures, a copy of the Joint Venture Agreement or written confirmation of the intention to enter into a Joint Venture Agreement

Latest Financial Statements signed by your Accounting Officer or latest Audited Financial Statements plus 2 previous years

SECTION 6: Certificate Of Acquaintance with RFI/EOI, Terms & Conditions & Applicable Documents

SECTION 8: Bidder's Disclosure

SECTION 9: Protection of Personal Information

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The following stages will be followed in the evaluation process:

Information is requested through this RFI/EOI from interested persons, companies, close corporations or enterprises [hereinafter referred to as the **Respondent(s)**] to supply the aforementioned information to Botswana Railways and Transnet. Respondents are to note that only those who have been shortlisted following the bid evaluation process detailed in this RFI/EOI, will be allowed to participate in the Stage 2 RFP process. The subsequent Request for Proposal [RFP] if and when is issued by Botswana Railways and Transnet, will be limited only to those Respondents who have been shortlisted following the evaluation/prequalification process stipulated in this RFI/EOI.

This RFI/EOI is not an offer to purchase and Botswana Railways and Transnet is under no obligation to accept any proposals in this process and/or the subsequent RFP which may be issued hereafter.

As this is a Request for Information / Expression of Interest only, no business will be awarded through this process at this stage.

The following selection criteria will be used as a guide for adjudicating Respondents.

Specific detailed items that are important for the Respondent to consider in the response preparation process include:

- Quality of presentation, reply to the RFI/EOI and attention to required detail during the selection process.
- Compliance with the terms and conditions of the RFI/EOI documents.
- Satisfaction of the project objectives.

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