



**Transnet SOC Ltd**

**acting through its operating division, Transnet National Ports Authority**

Registration Number

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www.transnet.net

**BRIEFING NOTE NO. 04 (TNPA/2023/12/0015/51712/RFP)**

22 May 2024

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**REQUEST FOR PROPOSALS (RFP) FOR THE APPOINTMENT OF TERMINAL OPERATORS TO FUND, DESIGN, DEVELOP, CONSTRUCT, OPERATE, MAINTAIN AND TRANSFER THE LIQUID BULK AND/OR GREEN FUEL TERMINALS FOR A CONCESSION PERIOD OF TWENTY-FIVE (25) YEARS IN THE SOUTH DUNES PRECINCT AT THE PORT OF RICHARDS BAY**

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**BRIEFING NOTE NO. 04: RFP Bid Clarification Questions & Responses**

Transnet National Ports Authority (TNPA) is hereby issuing Briefing Note no. 04: RFP Bid Clarification Questions & Responses, in relation to the Port of Richards Bay South Dunes Liquid Bulk and/or Green Fuel Terminals RFP closing on 28 June 2024.

Below are questions received from bidders and TNPA responses to clarify all issues raised.

Yours sincerely,

Project Office



**RFQ NO:** TNPA/2023/12/0015/51712/RFP

**Description:** REQUEST FOR PROPOSALS FOR THE APPOINTMENT OF TERMINAL OPERATORS TO FUND, DESIGN, DEVELOP, CONSTRUCT, OPERATE, MAINTAIN AND TRANSFER THE LIQUID BULK AND/OR GREEN FUEL TERMINALS FOR A CONCESSION PERIOD OF TWENTY-FIVE (25) YEARS IN THE SOUTH DUNES PRECINCT AT THE PORT OF RICHARDS BAY

**Date:** 21 May 2024

**Clarification questions & responses**

No.	Clarification questions	TNPA responses
1.	5 sites are available for this RFP. Is it TNPA's intention to award all 5 sites to bidders during this RFP Process? Or is TNPA only intending to award one of the sites?	Yes, it is TNPA's intention to award all 5 sites in line with responses received.
2.	Will successful bidders be awarded one of their preferred sites? What will happen if three successful bidders all selected the same two preferred sites?	<p>TNPA will endeavor to allocate preferred sites to successful bidders.</p> <p>In the scenario provided, TNPA will initially rank all bidders and then consider the below factors in awarding the sites.</p> <p>Clause 19.11 of the RFP states that:</p> <p>"TNPA will reserve its rights to award site allocation to bidders based on the following:</p> <p>19.11.1. Compatibility of cargoes as per land use strategy; or</p> <p>19.11.2. Ideal use of the land; or</p> <p>19.11.3. Connectivity to the berths; or</p> <p>19.11.4. Optimal revenue for TNPA"</p>

No.	Clarification questions	TNPA responses
3.	How is road access going to be given to Plots 6, 7, 8 and 9? This is critical information as it is not possible to complete the required traffic management plans or terminal layouts without details of access to the sites. Therefore please can you provide:	Please refer to attached APPENDIX A for technical details of the road access and location of future roads.
3.1	Full technical details of the road access; and	
3.2	The location of future roads on the diagram showing the sites (Briefing Note 1)	
4.	In clause 4.13 of the RFP document it says that "TNPA is currently embarking on a project to install pipeline infrastructure (pipe racks) throughout the South Dunes Precinct to be owned by TNPA to service the Liquid Bulk and/or Green Fuel terminals as per this RFP". Please can you advise:	
4.1	Where exactly these new pipe racks will run? Please can you provide full details as well as indication the location of the pipe racks on a diagram. This information is required before designs and costings can be finalised.	Modular pipe rack to be provided from berths 208 & 209. The pipe rack network installation will be scalable in line with the terminal operator's ramp up requirements.  TNPA's intends to provide common user pipe racks for all South Dunes terminal operators to tie into. After bidders propose their preferred pipeline route, TNPA will conclude the final configuration of the pipe rack system.
4.2	When are the pipe racks going to be in place? This information is required in order to plan the construction phase of the project and the specific timelines required by TNPA.	Phase 1 will be commissioned from berths 208 & 209 in 2026, however, capacity will be ramped up in consultation with the terminal operator requirements.

No.	Clarification questions	TNPA responses
5.	<p>Clause 19.9 states that the Bidder who scores the highest points under Stage 2 of part III will be appointed as the preferred bidder "unless the Due Diligence to be undertaken in Part IV (See Clause 66) establishes objective considerations which would justify an award to another Bidder".</p> <p>Surely the purpose of Due Diligence is to determine if the bidder who scored the highest points meets the defined criteria? If they do not meet the defined criteria, then they would be disqualified and the bidder who scored the second highest points would be evaluated under the Due Diligence and so on. Please can you therefore provide details as to how the Due Diligence process would justify the award of to any other Bidder and what criteria this would be based on (as opposed to the Due Diligence disqualifying the highest scoring bidder and the bidders then being evaluated in order of points scored)?</p>	<p>All bidders who have met the requirements of Part 3: Stage I &amp; II: (Functionality and Price &amp; Preference) will be subjected to a Due Diligence process.</p> <p>Due Diligence is not meant to disqualify bidders, but rather to verify the authenticity of the bidders' responses. This includes verification of trade and credit references, a desktop risk assessment, a Quick credit assessment and a Probity Check.</p> <p>The Probity Check verifies (but is not limited to) the following:</p> <ul style="list-style-type: none"> <li>• Financial stability;</li> <li>• Analysis of ownership;</li> <li>• Conflict of interest with Transnet employees involved with the procurement process; and</li> <li>• Fraud and corruption; etc.</li> </ul> <p>Provided no material risks are raised that cannot be mitigated, the highest ranked bidders will be appointed as the Preferred Bidders.</p>
6.	<p>Clause 19.11 on page 44 of the RFP document says that:</p> <p><i>"TNPA will reserve its rights to award site allocation to bidders based on the following:</i></p> <p><i>19.11.1. Compatibility of cargoes as per land use strategy; or</i></p> <p><i>19.11.2. Ideal use of the land; or</i></p> <p><i>19.11.3. Connectivity to the berths; or</i></p> <p><i>19.11.4. Optimal revenue for TNPA"</i></p> <p>However Clause 19.9 states that the preferred bidder will be the one who scores the highest and these listed criteria do not appear to be incorporated into the specific</p>	

No.	Clarification questions	TNPA responses
	evaluation criteria set out for the RFP. Please can you advise:	Please see attached revised Qualification and Evaluation methodology incorporating the framework for site allocation (APPENDIX B)
6.1	What step of the RFP evaluation will items 19.11.1 – 19.11.4 be evaluated under?	
6.2	What criteria will be used to evaluate these items?	
7.	Clause 22.2 of the RFP says that the Terminal Operator Agreement (TOA) must be concluded within 2 months, however Clause 22.3.4.1 gives a timeline of 4 months for TOA Agreement negotiations. Please can you clarify which period is correct?	There was an error in the RFP. The correct timeline is four (4) months as per the TOA.
8.	Clause 22.3.3 of the RFP says that construction of the terminal must be completed within 12 months following approvals however clause 22.3.4.4 gives a construction period of 18 to 24 months. Please can you clarify which period is correct?	The correct period is a maximum of 24 months, therefore the period for construction in Clause 22.3.3 must be ignored.
9.	Clause 22.5 of the RFP says bidders are required to supply a marked-up version of the TOA in Microsoft Word. Please can you provide a MS Word version of the TOA as only a PDF version has been supplied.	Please see attached MS Word version of the TOA (ANNEXURE HH)
10.	<p>In Clause 29.7 of the RFP, TNPA reserves the right to appoint a Reserve Bidder who will become the Preferred Bidder should any of the items listed in 29.8.1 – 29.8.3 come to pass. However, in Clause 23.2 it states that:</p> <p>“TNPA reserves the right to award the Project to the highest-scoring Bidder unless Due Diligence justifies an award to another Bidder.”</p>	<p>With reference to Clause 29.7, TNPA is entitled to appoint the Reserve Bidder should any of the items listed in 29.8.1 – 29.8.3 occur. This may happen only after the bid evaluation process has concluded and the preferred bidders have been appointed accordingly.</p> <p>With reference to the second half of this question, it is during the Due Diligence process that material risks which cannot be mitigated may be raised, in which case TNPA has the right to appoint the 2<sup>nd</sup> ranked bidder as the Preferred Bidder.</p>

No.	Clarification questions	TNPA responses
	<p>Please can you clarify what is meant by "another Bidder"? Is 'another Bidder' the same as the 'Reserve Bidder' or could this other Bidder be a completely separate party to the Preferred or Reserve Bidders?</p>	<p>The meaning of "another bidder" is purely in relation to the ranking of bidders to which TNPA will abide.</p>
11.	<p>Clause 46.4.1 of the RFP states that the Bidder must 'name each submitted folder'. However the Transnet tender portal does not allow folders to be uploaded, only files. Please advise if PDF and word documents can be submitted? Or if the system will allow zipped folders of documents to be submitted?</p>	<p>Kindly note that PDF files can be submitted, and the system does allow for documents to be submitted in zipped folders.</p>
12.	<p>Under Clause 63.2.1. of the RFP, Clause 63.2.1.1 states that "Bidders are required to provide evidence of experience in existing businesses and an overview of the approach to the Environmental Management Plan for operating in the Port of Richards Bay."</p> <p>However clause 63.2.1.2 and the table under 63.2.1.3 then say that the following is required: "Environmental Management Plan for operating in the Port of Richards Bay handling liquid bulk commodities"</p> <p>While an Environmental Management Plan can be submitted for existing operations, it is not possible to produce an Environmental Management Plan for an operation that does not yet exist on a site that is not defined. Accordingly please advise if it will be acceptable to provide an Environmental management Plan for an existing operation along with a document outlining the approach to and the factors that will be considered when</p>	<p>TNPA will accept an Environmental management Plan for an existing operation along with a document outlining the approach to and the factors that will be considered when drawing up an Environmental Management Plan for a future Richards Bay liquid bulk operation.</p>

No.	Clarification questions	TNPA responses
	drawing up and Environmental Management Plan for a future Richards Bay liquid bulk operation?	
13.	<p>Under Clause 63.2.3.1.1. of the RFP, the following is requested:</p> <p>"A business continuity management (BCM) plan from the Bidder's existing business aligned to a recognized BCM system that will ensure that resilience is considered as part of the Bidders operations to mitigate potential business continuity risks to the Project."</p>	
13.1	Please can you explain what the following portion of the above means as existing BCM plans do not address future unawarded projects: "that will ensure that resilience is considered as part of the Bidders operations to mitigate potential business continuity risks to the Project."?	It is expected that the BCM should provide a response plan on how the organization will address any emergency situations that could arise during operation. The risk assessment and business impact analysis should be used as a guideline to compile BCM thereof.
13.2	Please can you advise if a BCM covering risks to existing terminal operations will meet the requirements of this item?	Yes, TNPA will accept the BCM covering risks to existing terminal operations.
14.	<p>The criteria for 'Excellent' in the table under Clause 63.4.2.3.3. of the RFP states:</p> <p>"The Operating Model covers in exceptional detail and demonstrates how the Targeted Performance will be achieved and comprehensively described and indicates how this will be achieved."</p> <p>Please can you provide further details on exactly what this means and what is required in order for an Operating Model to be considered 'Excellent'?</p>	TNPA's Subject Matter Expert will undertake a qualitative assessment of the Operating Model in line with elements tabulated in Clause 63.4.2.3.4.

No.	Clarification questions	TNPA responses
15.	In the table under clause 63.4.2.4.2, in order to achieve an 'Excellent' Score a Level 3 Project Schedule is required. However Level 3 is not a defined term and the Description for a Level 3 schedule in the table under clause 63.4.2.4.3 just says that a Level 3 schedule "is usually decomposed into Level 5".	
15.1	Please can you provide details of what exactly a Level 3 Schedule is?	Level 1 provides an Executive Summary of the entire project.
15.2	What level of detail is required for a level 3 schedule and what milestones/items are required to be covered?	<p>Level 2 details each phase within the project development, including but not limited to, Detailed Design, Procurement, Construction and Commissioning.</p> <p>Level 3 schedules further provides details of all major milestones and deliverables required. For example, within Detailed Design one would develop a basis of design, conduct site surveys, undertake specialist studies, finalise design and drawings, etc.</p>
16.	In the table under clause 63.4.2.4.3, the Project schedule Level score is shown as 10 points total (top of page 99 of the RFP). But in the summary table under 63.4.2.4.5. on page 100 it says that the Project Schedule level is only worth 5 points and the Project Delivery Timeframes are worth 5 points? Please can you clarify how many points are available for the Project Schedule Level?	Clause 63.4.2.4.3 is an error. The correct point allocation for Project Schedule Level is 5 points.
17.	Clause 63.4.2.4.5 says that "Bidders will be scored for the Project Delivery Timeframes and logical sequencing of activities, as indicated in the tables below:" But the scoring table only shows scoring for timeframes with no mention of Logical sequencing. Please can you advise what the	<p>TNPA will evaluate the Project Delivery Timelines quantitatively, meaning that bidders will score based on the proposed timelines.</p> <p>However, allocation of points will also be qualitatively assessed by TNPA's subject matter expert to review the logical sequencing of activities. Please see below revised</p>



No.	Clarification questions	TNPA responses																				
	<p>scoring for logical sequencing is/how will logical sequencing be scored?</p>	<p>methodology to accommodate both Quantitative and Qualitative scoring.</p> <p>63.4.2.4.5. Bidders will be scored for the Project Delivery Timeframes and logical sequencing of activities, as indicated in the tables below:</p> <table border="1" data-bbox="862 449 1378 678"> <thead> <tr> <th>PROJECT TIMEFRAMES FOR EXECUTION (EXCLUDING ENVIRONMENTAL IMPACT ASSESSMENT)</th> <th>DELIVERY FOR</th> <th>POINTS (5)</th> <th>SCORING METHODOLOGY</th> </tr> </thead> <tbody> <tr> <td>&gt;30 months</td> <td></td> <td>2</td> <td>QN / QL</td> </tr> <tr> <td>25-30 months</td> <td></td> <td>3</td> <td>QN / QL</td> </tr> <tr> <td>19- 24 months</td> <td></td> <td>4</td> <td>QN / QL</td> </tr> <tr> <td>0 - 18 months</td> <td></td> <td>5</td> <td>QN / QL</td> </tr> </tbody> </table>	PROJECT TIMEFRAMES FOR EXECUTION (EXCLUDING ENVIRONMENTAL IMPACT ASSESSMENT)	DELIVERY FOR	POINTS (5)	SCORING METHODOLOGY	>30 months		2	QN / QL	25-30 months		3	QN / QL	19- 24 months		4	QN / QL	0 - 18 months		5	QN / QL
PROJECT TIMEFRAMES FOR EXECUTION (EXCLUDING ENVIRONMENTAL IMPACT ASSESSMENT)	DELIVERY FOR	POINTS (5)	SCORING METHODOLOGY																			
>30 months		2	QN / QL																			
25-30 months		3	QN / QL																			
19- 24 months		4	QN / QL																			
0 - 18 months		5	QN / QL																			
18.	<p>Evaluation Criteria 2 Preference, Clause 65.2.4 contains the following 2 scoring categories:</p> <ul style="list-style-type: none"> <li>The promotion of enterprises located in uMhlathuze Municipality for work to be done or services to be rendered in that Municipality (2 points)</li> <li>The promotion of supplier development through subcontracting a minimum of 30% of the value of the contract to /with EMEs and/or QSEs 51% owned by black people, 51% owned by black youth, 51% owned by black people with disabilities or 30% owned by black women (4 points).</li> </ul> <p>No mention is made of these 2 requirements elsewhere in the RFP documentation. Please can you provide details on the following:</p>	<p>TNPA will revert on Preference scoring methodology</p>																				
18.1	<p>What exactly is required for these 2 items in order to achieve full points? I.e. how will the items be scored?</p>																					
18.2	<p>What evidence is required for each of these items?</p>																					
18.3	<p>With reference to "promotion of enterprises located in uMhlathuze Municipality", please explain exactly</p>																					

No.	Clarification questions	TNPA responses
	what 'promotion' means in this context.	
18.4	What contracts are you supposed to subcontract? The Construction Contract or the ongoing Operations?	
18.5	What is the Value of the contract defined as? I.e. what specific amount or factors is the value based on? E.g. the value of the proposed annual rental to TNPA?	
19.	Clause 4 of Annexure K (Page 147 of the RFP), states that the Terminal Operator Agreement will be for a period of 25 years. Does this 25 year TOA include or exclude the period of time required to get authorisations, plan approvals and construct the terminal? Noting that the Concession Period defined in clause 2.1.32 states that it is 25 years excluding the development period	The twenty-five (25) year Concession Period is the period for Operations and Decommissioning only.
20.	Under Essential Returnable Documents and Schedules on page 152, it says: "Annexure X (Schedule TOA: RFP Economic impact Data) – to be filled in with each Bid Response". Please can you explain what is meant by 'each bid response'?	Bidders may choose to submit multiple proposals for different sites. If a bidder submits two (2) or more submissions, then each submission must be treated as an individual bid response accompanied by the relevant documentation.
21.	Annex U: Breach of law form and Annex W: Supplier integrity pact are not listed as returnable documents in the lists under Annex K, Item 11. Please can you confirm that the Bidder does NOT need to include these documents in the submission?	Both Annexure U and Annexure W are returnable documents. Kindly see attached updated list of returnable documents in Annexure K.
22.	It is noted that as per Briefing note 3, the finals date for Bidders to submit questions is 31 May 2024.	

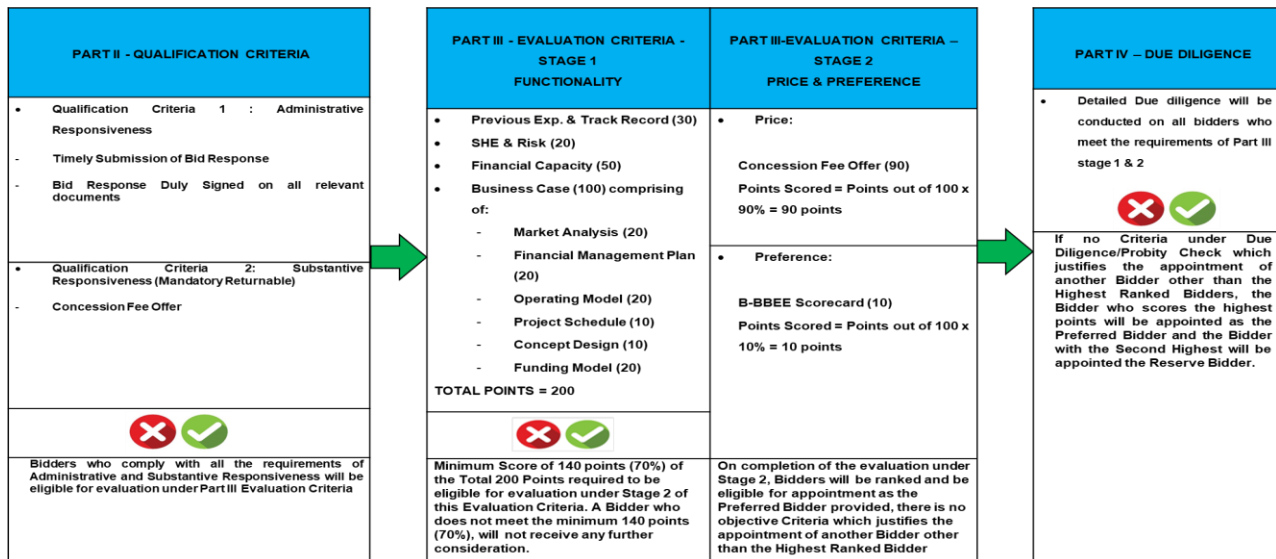
No.	Clarification questions	TNPA responses
22.1	Please can you advise how soon after this deadline answers will be provided to the questions as this information is required to complete our submission.	TNPA will not take any questions after 31 May 2024, and will respond to all questions by 10 June 2024.
22.2	If the responses provided by TNPA raise further questions but TNPA only provides these answers after 31 May 2024, will the Bidders still have an opportunity to ask further questions in order to gain the necessary clarity?	
23.	The company who will be responding to this RFP as the Bidder has a major shareholder who has the experience and existing operational documentation to meet the requirements of this RFP. In addition, should the Bidder be awarded the RFP, the experienced Shareholder will take responsibility for developing and operating the terminal. Will TNPA accept the proof of experience and other documentation of the shareholder of the Bidder in fulfilment of the requirements of the RFP? Note the bidding company would either be a JV set up for purposes of the RFP, or the Bidder could be an existing entity without experience in liquid bulk but has a major shareholder who has the experience etc required.	TNPA will accept the documentation of any member(s) of the bidding entity, including that of the majority shareholder.
24.	When responding to the RFP in terms of Annexure DD "CONCESSION FEE OFFER", Should the respondent submit two concession fee offers or a combine offer, since the response is for two different sites.	<p>Kindly note that if you are submitting one (1) bid response for multiple sites, then only one (1) concession fee offer (Annexure DD) is required. During evaluations, TNPA will apply the same concession fee offer across the sites you have nominated.</p> <p>However, bidders also have a choice of submitting individual proposals for different sites. If a bidder submits two (2) or more individual submissions, then each submission must have its own concession fee offer</p>

No.	Clarification questions	TNPA responses
		reflected in Annexure DD "CONCESSION FEE OFFER" based on each business case submitted.

## APPENDIX B

### REQUEST FOR PROPOSALS FOR THE APPOINTMENT OF TERMINAL OPERATORS TO FUND, DESIGN, DEVELOP, CONSTRUCT, OPERATE, MAINTAIN AND TRANSFER THE LIQUID BULK AND/OR GREEN FUEL TERMINALS FOR A CONCESSION PERIOD OF TWENTY-FIVE (25) YEARS IN THE SOUTH DUNES PRECINCT AT THE PORT OF RICHARDS BAY

#### STEP 1: BID EVALUATION



#### STEP 2: SITE ALLOCATION

TNPA will apply the following criteria after the bidder ranking process is concluded:

“TNPA will reserve its rights to award site allocation to bidders based on the following:

- 19.11.1. Compatibility of cargoes as per land use strategy; or
- 19.11.2. Ideal use of the land; or
- 19.11.3. Connectivity to the berths; or
- 19.11.4. Optimal revenue for TNPA”

