

ANNEXURE A

INDEPENDENT INSPECTION COMPANY (SURVEYORS) ON AN AS AND WHEN REQUIRED BASIS

SCOPE OF WORK:

1. PURPOSE

The purpose of this Request is to appoint a suitably qualified and independent inspection company to provide quantity and quality inspection, testing, auditing, monitoring, verification, certification, loss control and advisory services in respect of SANPC's petroleum trading, storage and logistics operations.

The services shall apply to all petroleum and related hydrocarbon products handled, purchased, sold, imported, exported, stored, transported or otherwise managed by SANPC, including but not limited to:

- Crude Oil
- Petrol (Gasoline)
- Diesel
- Jet Fuel
- Illuminating Paraffin
- Heavy Fuel Oil (HFO)
- Marine Fuels
- Liquefied Petroleum Gas (LPG)
- Biofuels and blending components
- Any other petroleum or hydrocarbon products traded by SANPC

The services may be required in South Africa and throughout the Southern African Development Community (SADC) region.

2. BACKGROUND

SANPC is responsible for the strategic planning, coordination and governance of South Africa's petroleum and gas resources. In fulfilling its mandate, SANPC participates in petroleum commodity trading, strategic stock management, storage leasing and related commercial activities.

Given the significant operational, financial and contractual risks associated with the handling and movement of petroleum products, SANPC requires the services of an independent inspection company to provide impartial verification and certification of quantity and quality throughout the supply chain, on an AS and WHEN required basis.

The appointment is intended to provide assurance regarding:

- Product quantity and quality integrity;
- Custody transfer accuracy;
- Inventory accountability;
- Loss prevention and control;
- Contractual compliance;
- Claims management and dispute resolution;
- Regulatory compliance; and
- Operational risk mitigation.

3. SCOPE OF SERVICES

The appointed Company shall provide independent inspection, verification, testing, certification, auditing and advisory services on an as-and-when-required basis for SANPC-owned, leased or contracted facilities and operations.

The services shall include, but not be limited to, the following:

3.1 Quantity Determination and Certification

The Inspector shall:

- Measure, verify and certify petroleum product quantities involved in all custody transfer operations.
 - Conduct tank gauging, temperature determination, water detection and density verification.
 - Determine opening, intermediate and closing inventories.
 - Verify quantities transferred through pipelines, vessels, barges, rail tank cars, road tankers and storage terminals.
 - Determine and certify Gross Observed Volume (GOV), Gross Standard Volume (GSV), Net Standard Volume (NSV) and Net Quantity.
 - Verify line fills and line displacements.
 - Witness meter proving and meter factor verification where applicable.
 - Conduct stock reconciliations and inventory verification exercises.
 - Investigate and quantify stock gains, losses and operational variances.
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3.2 Quality Assurance, Sampling and Testing

The Inspector shall:

- Draw representative samples in accordance with recognised international standards.
- Perform laboratory analysis and quality testing.
- Verify compliance with contractual specifications and applicable industry standards.
- Conduct interface detection and contamination investigations.
- Perform tank profiling and stratification assessments.
- Conduct sludge surveys and bottom sediment assessments.
- Issue Certificates of Quality and laboratory reports.
- Retain samples for the prescribed statutory, contractual or operational retention periods.

3.3 Vessel Operations

The Inspector shall provide independent inspection and certification services for:

- Vessel loading operations.
- Vessel discharge operations.
- Ship-to-ship transfers.
- Bunker operations.
- Remaining On Board (ROB) determinations.
- On Board Quantity (OBQ) determinations.
- Ullage surveys.
- Draft surveys where applicable.
- Cargo reconciliation exercises.
- Vessel performance and cargo loss investigations.

3.4 Terminal and Storage Operations

The Inspector shall:

- Conduct stock audits and inventory reconciliations.
 - Verify inter-tank transfers.
 - Verify line displacements.
 - Verify tank-to-tank movements.
 - Conduct tank inspections and profiling.
 - Verify storage gains and losses.
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- Support storage leasing verification activities.
- Verify terminal throughput and stock balances.

3.5 Pipeline, Rail and Road Movements

The Inspector shall:

- Verify and certify quantities loaded and discharged.
- Monitor custody transfer operations.
- Witness loading and discharge activities.
- Verify seals and security controls.
- Investigate quantity discrepancies and losses.
- Provide reconciliation reports for transported products.

3.6 Loss Control and Claims Management

The Inspector shall:

- Provide independent loss control services.
- Investigate quantity and quality discrepancies.
- Determine causes of shortages, contamination or product degradation.
- Prepare supporting documentation for insurance, contractual and commercial claims.
- Issue Letters of Protest where required.
- Provide expert witness and technical support during disputes.

3.7 Auditing and Advisory Services

The Inspector shall:

- Conduct operational audits relating to petroleum movements.
- Review measurement systems and operational controls.
- Identify process improvement opportunities.
- Advise SANPC on loss mitigation strategies.
- Provide technical guidance on quantity and quality disputes.
- Benchmark operations against international best practices.

3.8 Emergency and Incident Response

The Inspector shall provide emergency response support in respect of:

- Product contamination incidents.
 - Product losses.
 - Off-specification cargoes.
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- Quantity disputes.
- Marine incidents affecting cargo integrity.
- Product recovery and investigation activities.

4. REPORTING AND CERTIFICATION

The Inspector shall provide accurate, timely and comprehensive reports and certificates for all activities undertaken.

Reporting may include, but shall not be limited to:

- Certificates of Quantity.
 - Certificates of Quality.
 - Time Logs.
 - Vessel Loading Reports.
 - Vessel Discharge Reports.
 - ROB Reports.
 - OBQ Reports.
 - Ullage Reports.
 - Cargo Reconciliation Reports.
 - Shore Tank Reports.
 - Line Displacement Reports.
 - Tank Transfer Reports.
 - Sludge Survey Reports.
 - Tank Profile Reports.
 - Laboratory Analysis Reports.
 - Sample Integrity Reports.
 - Bill of Lading Verification Reports.
 - Shore Receipt Verification Reports.
 - Final Outturn Reports.
 - Stock Reconciliation Reports.
 - Loss Control Reports.
 - Incident Investigation Reports.
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- Letters of Protest.

All reports shall be submitted electronically within agreed service-level timelines.

5. SAMPLE MANAGEMENT

The Inspector shall:

- Collect, seal, label and maintain samples in accordance with recognised international standards.
- Maintain complete chain-of-custody records.
- Retain samples for prescribed retention periods.
- Arrange secure door-to-door sample transportation where required.
- Provide sample tracking and status reporting.

6. LABORATORY REQUIREMENTS

The Inspector shall:

- Maintain access to ISO/IEC 17025 accredited laboratory facilities.
- Ensure laboratories are equipped to analyse all products covered under this contract.
- Ensure all testing equipment is calibrated and maintained.
- Demonstrate capability to perform testing in accordance with ASTM, IP, ISO and other recognised industry standards.
- Maintain laboratory facilities capable of supporting SANPC's operational requirements within agreed response times.

7. QUALITY, HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS

The Inspector shall:

- Maintain an approved Quality Management System.
- Comply with all applicable South African legislation and regulatory requirements.
- Comply with SANPC policies and procedures.
- Comply with terminal, refinery, pipeline, rail and marine safety requirements.
- Maintain appropriate HSE policies and training programmes.
- Ensure all personnel are competent, medically fit and appropriately certified.

8. SERVICE LEVEL REQUIREMENTS

The Inspector shall:

- Be available on a 24-hour, 7-day-per-week, 365-day-per-year basis.
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- Mobilise qualified personnel within agreed response times.
- Provide sufficient resources to support simultaneous operations.
- Perform all services in accordance with the latest editions of:
 - API Standards
 - ASTM Standards
 - Energy Institute (IP) Standards
 - ISO Standards
 - OCIMF Guidelines
 - Relevant maritime and terminal operating standards
- Maintain calibrated and certified inspection equipment.
- Ensure all certifications and reports are issued by competent and authorised personnel.

9. PERSONNEL COMPETENCY

The Inspector shall provide suitably qualified personnel with demonstrable experience in:

- Crude oil inspection.
- Refined petroleum product inspection.
- Marine cargo surveying.
- Tank gauging and stock reconciliation.
- Petroleum laboratory testing.
- Loss control and claims investigations.
- Custody transfer operations.
- Pipeline and terminal operations.

Personnel shall possess the necessary industry certifications and training relevant to the services being rendered.

10. ACCREDITATION REQUIREMENTS

The bidder shall maintain internationally recognised accreditation relevant to inspection and testing activities.

Minimum Requirements:

ISO/IEC 17020 Accreditation (Conformity Assessment – Inspection Bodies); and/or

ISO/IEC 17025 Accreditation (Testing and Calibration Laboratories) either directly or through an accredited laboratory arrangement.

Evidence required:

- Accreditation certificates;
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- Scope of accreditation;
- Accreditation validity dates.

11. QUALITY MANAGEMENT SYSTEM

The bidder must maintain an established Quality Management System.

Minimum Requirement:

ISO 9001 certification or equivalent recognised quality management certification.

Evidence required:

- Valid certification;
- Quality Management Policy.

12. KEY PERSONNEL

The bidder shall provide suitably qualified and experienced inspection personnel if awarded this Tender who meet the following.

Minimum Requirements:

Lead Petroleum Inspector

Minimum ten (10) years' experience in petroleum inspection services.

Senior Surveyors / Inspectors

Minimum five (5) years' relevant petroleum inspection experience.

Laboratory Specialists

Appropriate technical qualifications and experience in petroleum testing and analysis.

The bidder shall submit:

- Organogram;
- Curriculum Vitae (CVs);
- Qualifications;
- Professional certifications.

13. INSPECTION EQUIPMENT AND TECHNOLOGY

If awarded the tender, must have access to appropriate inspection and measurement equipment.

Equipment may include:

- Electronic gauging equipment;
- Sampling equipment;
- Water finding equipment;
- Density and temperature measuring equipment;
- Portable testing equipment;
- Inspection reporting systems.

Minimum Requirement:

All inspection equipment must be calibrated and traceable to recognised standards.

Evidence required:

- Equipment register;
 - Calibration certificates.
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TECHNICAL PRE-QUALIFICATION CRITERIA (BID ELIMINATION CRITERIA)

Bidders must provide documentary evidence demonstrating compliance with the following mandatory pre-qualification requirements. Failure to comply with ALL of the mandatory requirements will result in disqualification from further evaluation.

1. COMPANY EXPERIENCE (MANDATORY)

The bidder must demonstrate a minimum of ten (10) years' experience providing independent quantity and quality inspection services within the petroleum, oil and gas, petrochemical or liquid bulk commodities sectors.

The bidder shall provide with its submission the following to satisfy this elimination criteria:

- Company profile; and
- Description of services offered; and
- Summary of relevant projects completed during the last ten (10) years; and
- Contactable client references.

2. LABORATORY CAPABILITY (MANDATORY)

The bidder must demonstrate access to laboratory facilities capable of performing petroleum quality testing in accordance with international standards.

Minimum Requirement to be satisfied on submission:

Access to an ISO/IEC 17025 accredited laboratory

The laboratory must be capable of testing petroleum products in accordance with:

- ASTM Standards;
- Energy Institute (IP) Standards;
- ISO Standards; and
- Relevant fuel specifications.

Evidence required to meet this bid elimination criteria:

- Laboratory accreditation certificates; and
 - Laboratory capability statement; and
 - List of available testing methods.
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3. GEOGRAPHICAL COVERAGE (MANDATORY)

The bidder must demonstrate the ability to provide inspection services across SANPC operational locations.

Minimum Requirement to be met to meet this elimination criteria:

Capability to provide inspection services at major South African petroleum terminals, ports and storage facilities, including:

- Durban;
- Richards Bay;
- Saldanha Bay;
- Cape Town;
- Ngqura/Gqeberha; and
- Other locations as required.

Evidence required:

- Office locations; and
- Operational footprint; and
- Staffing availability.

PRICING:

Bidders must fully complete the table on page 5 of the RFQ (priced in words per operation) AND submit a separate detailed price schedule with breakdown of costs, **priced per operation** MUST be submitted with your RFQ proposal
