



## **ANNEXURE F**

### **SCOPE OF WORK**

#### **1. PURPOSE OF THE TENDER**

SFF is seeking to procure services of a suitably qualified service provider that will search for, extract and dispose or re-process residual hydrocarbons from the decommissioned crude oil storage facility in Ogies for a period of 3 years.

#### **2. BACKGROUND**

The SFF Association previously operated underground storage facilities (“bunkers”) for crude oil in Ogies. These storage facilities are basically mined out caverns in the coal rich area of eMalahleni. All commercially pump-able crude oil was removed from these bunkers in the 90s and the remaining residual hydrocarbons have been extracted, on an ad-hoc basis, since the early 2000’s and until as recently as 2017.

Although most of the commercially saleable crude oil was pumped out, there are still residual hydrocarbons that are still trapped inside these bunkers and are further away from the pumping sumps and their presence exposes SFF to environmental liabilities should these residual hydrocarbons leach out to the underground aquifers.

SFF therefore requires the services of a contractor that will search, extract, dispose or re-process these residual hydrocarbons that may still be present in the disused underground coal caverns that were once used to store crude oil.

#### **2. SCOPE OF WORK**

- 2.1 Evaluate the extractable volumes of residual hydrocarbons still trapped in the underground caverns through a detailed desktop study.
- 2.2 Extraction of residual hydrocarbons from the bunkers and pumping out of associated water from the access boreholes.
- 2.3 Delivery of the contaminated water that is separated from the residual hydrocarbons extracted from the bunkers to the evaporation ponds of the Ogies storage facility.
- 2.4 The collection points to be used by the contractor for the term of this contract shall be the SFF Ogies Terminal facilities.

- 2.5 This contract shall include the recovery and profit sharing on reprocessing of the residual hydrocarbons.
- 2.6 The contractor shall be responsible for the extraction, removal, disposal or reprocessing and transporting of all the recoverable residual hydrocarbons as defined and described within. This shall include all connecting piping, hoses, pumps and appurtenances required and shall make the necessary arrangements for the required power to operate the pumps and the equipment.
- 2.7 In the event that the contractor causes an oil spill or any other significant environmental incident during the execution of the contract works, then the contractor shall assume full responsibility and liability to clean up the oil spill or environmental incident at cost to the contractor. The materials shall be cleaned up sufficiently so as to restore the cleanliness of the property and the safety of the occupants. The Contractor shall pay all the costs, including those to SFF for legal services, fees, fines and penalties associated with the spillage or dumping.
- 2.8 The Contractor will be permitted to use the SFF Crude Oil and water pump out points, areas assigned.

### **3. REPORTING**

- 3.1 The technology, methods and procedures to be used by the contractor in executing the contract works shall be submitted, in writing to SFF for approval.
- 3.2 The contractor shall prepare and submit to SFF, weekly, the quantity and quality of extracted residual hydrocarbons which will be verified by SFF surveyors, a SANAS approved laboratory shall be used to determine the quality of the sludge removed from the bunkers at cost to the contractor.
- 3.3 No residual hydrocarbons are to be pumped, loaded or removed from site without knowledge and presence of an SFF representative.

### **4. BRIEFING SESSION MEETING**

- 4.1 A non- compulsory briefing session will be held online for all the interested and potential bidders. After the briefing session but before the closing date, potential bidders will be allowed to visit the site with prior arrangements with the site manager.

## 5. NON-NEGOTIABLE TERMS AND CONDITIONS

- A suitably qualified Contractor shall provide the extraction, disposal or re-processing services of the residual hydrocarbons by submitting a Commercial offer comprising:
  - ✓ An upfront payment of a non-refundable lump-sum fee for the rights to access, extract and process the residual hydrocarbons in SFF bunkers;
  - ✓ Profit sharing proposal basis for a period of three (3) years;
- The suitably qualified contractor shall procure and maintain at its own costs risk insurance to cover any claims against it and SFF during execution of contracts work.
- All the costs associated with any feasibility studies, site establishment, site operating costs, including any capital investments necessary to undertake the project shall be borne by the Contractor only and with no recourse or claim whatsoever to SFF.
- The contractor shall rehabilitate the site at its own cost where it worked and shall clear away and remove from site all plant and equipment, surplus material and rubbish of every kind to the satisfaction of SFF.
- SFF reserves the right to reject any or all proposals, or to award the contract to the next most suitable qualified Bidder if the selected Bidder does not execute the contract within thirty (30) days after the award of the proposal.
- SFF reserves the right to request clarification of information submitted and to request additional information from any Bidder submitting a proposal
- Any proposal submitted will constitute an irrevocable offer, for a period of ninety (90) days, to provide the services set forth in the enclosed specifications
- If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner the obligations agreed to, SFF shall have the right to terminate its contract by specifying the date of termination in a written notice to the Contractor at least thirty (30) days before the termination date.
- Any agreement or contract resulting from the acceptance of a proposal shall be on forms either supplied or approved by the SFF and shall contain, at a minimum, applicable ~~provisions of the RFP~~. SFF reserves the right to reject any agreement that does not conform to the RFP and to any requirements for agreements or contracts
- The Contractor shall not assign any interest in the contract and shall not transfer any interest in the same without any prior written consent of the SFF
- No reports, information, or data given to or prepared by the Contractor under the contract shall be made available to any individual or organization by the Contractor without the prior written approval of the SFF

- All Parties will have to sign a Confidential document in order to receive and access any documents and data related to the Ogies Bunkers and the extraction of residual hydrocarbons
- The Contractor shall provide the necessary office space and plant and equipment storage facilities required on the Site where the Contract Works are carried out. The Contractor shall furthermore provide at its own cost chemical toilets for their staff, which shall be kept clean and hygienic at all times.

TENDERS TO NOTE THE FOLLOWING BID ELIMINATION CRITERIA:

<b>BID ELIMINATION CRITERIA</b>	
<ul style="list-style-type: none"> <li>• Undertaking of an upfront payment of a non-refundable lump-sum fee for the rights to access, extract and process the residual hydrocarbons in SFF bunkers;</li> </ul>	Yes / No
<ul style="list-style-type: none"> <li>• Commitment of a Profit sharing proposal basis for a period of three (3) years</li> </ul>	Yes / No
<ul style="list-style-type: none"> <li>• Whether the Tender contains a priced offer as prescribed in the pricing schedule and Form of Offer.</li> </ul>	Yes / No
<ul style="list-style-type: none"> <li>• Whether the Tender materially complies with the scope of work given</li> </ul>	
<p><b>* Failure to answer 'Yes' to any of the Bid Elimination criteria listed above will result in immediate disqualification of the tenderer without progressing to Step 3 (Technical Evaluation) of the evaluation process below.</b></p>	