

STATE TRADING CORPORATION

Subject: Invitation for Proposals for provision of Consultancy Services for Valuation and Due Diligence exercise for acquisition of an existing Bulk Liquefied Petroleum Gas (LPG) Terminal Business in Mauritius – issued on 7 March 2022

Procurement Reference no. RFP/STC/2022/06

List of Clarifications No. 2 dated 25 March 2022

S.No.	Cl No./ Section	Page no.	Clause description	Query from potential bidder/s	STC response/comment
1	Section - 5 / Cl. 3(a) and Section - 5 / Cl. 8	63; 68	<p>Cl. 3(a): Scope of work - prepare a Term Sheet for the proposed acquisition of the Target's business and the associated facilities, which would consist of the Valuation of the Target's business and the associated facilities, the securities being issued, board rights, investor protections, other miscellaneous provisions that would be usual for this type of transaction</p> <p>Cl. 8: Deliverables</p>	<p>We understand that the consultant is required to prepare the term sheet for the required contracts if STC decides to go ahead with the acquisition of the proposed target company.</p> <p>In light of this, we wish to highlight that drafting the term sheet for the acquisition will be possible only after looking at the asset and undertaking the due diligence exercise. Therefore, meeting the deliverable timeline of one week for submitting the draft term sheet will be a challenge. Therefore, we request the client to reconsider the deliverable timeline for this scope item, and shift it after the deliverables for financial and technical aspects are completed.</p>	<p>The 'Term Sheet' should spell out the understanding, between the Client and the Target company, that the Client's consultant shall carry out valuation, financial and technical due diligence on the Target, with a view to acquire the Target and associated facilities. The Target company would provide all the required documents and allow Consultant to have physical access to the facilities.</p> <p>Regarding Sale & Purchase agreement which may be signed between the two parties to conclude the acquisition project, consultant would be required to prepare same in due course, as per the Section 5 – Clause 8 (d) Deliverables on page 68.</p> <p>Please refer also to STC response/comment at S. No. 8 in the List of Clarifications issued on 21 March 2022.</p>

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2	Section - 5 / Cl. 3(a)	63	prepare a Term Sheet for the proposed acquisition of the Target's business and the associated facilities, which would consist of the Valuation of the Target's business and the associated facilities, the securities being issued, board rights, investor protections, other miscellaneous provisions that would be usual for this type of transaction	Further to the previous query, once the term sheets are drafted, will the consultant also be responsible for drafting the agreements for the contract? If so, we request the client to include the same in the scope of services	<p>Regarding 'Term Sheet', please refer to STC response/comment at S. No. 1 above.</p> <p>With regard to 'agreements for contract', this is already covered in the RFP document - please refer to Section 5/ Scope of Work- Clause 3 (k) on Page 64 whereby Consultant shall "draft Heads of Terms of contract for acquisition and other documents which would be usual for this type of transaction."</p> <p>Please refer also to Section 5/ Deliverables Clause 8 (d) and Stage no. 8 on Pages 68 & 69.</p>

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3	Section - 5 / Cl. 3(a) & Section - 5 / Cl. 3(k)	63	<p>Cl. 3(a): prepare a Term Sheet for the proposed acquisition of the Target's business and the associated facilities, which would consist of the Valuation of the Target's business and the associated facilities, the securities being issued, board rights, investor protections, other miscellaneous provisions that would be usual for this type of transaction</p> <p>Cl. 3(k): draft Heads of Terms of contract for acquisition and other documents which would be usual for this type of transaction. Assist STC in its correspondences with the Target /its parent company, review all documents submitted by the Target/its parent company and carry out other requirements which would be usual for this type of transaction.</p>	<p>As per our understanding, the Term Sheet to be prepared in phase-1 and the Heads of Terms to be prepared in phase-2, both refer to the list of proposed terms to be included in the contract agreements.</p> <p>Please confirm if our understanding is correct, and clarify on the points of difference between the two clauses as mentioned in the scope of work.</p>	<p>Please refer to STC response/comment at S. No. 1 and S. No. 2 above, regarding 'Term Sheet' and 'Heads of Terms of contract for acquisition', respectively.</p>

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4	Cl. 7	67	Duration of the assignment	We have noted that the complete engagement is expected to be delivered within 12 weeks. The same clause also mentions that we have to assume 70-80 man-days for the same. This is equivalent to 14-16 man-weeks. We wish to highlight that we would have to concurrently/ simultaneously engage multiple teams to meet the 12 week deadline. Therefore, the number of man-days mentioned in the clause may not be practical. Request the client to revise the clause requirement to 150 man-days	<p>Bidder has to abide to the requirement of the RFP document.</p> <p>The Consultant has to allocate his/her resources so as to abide to the respective Deliverables submissions periods from start dates/ deadlines – refer to pages 68-69 (Clause 8).</p> <p>Bidder to provide full details as per Forms TECH-7 and TECH-8 in his/her proposal.</p>

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5	Section - 5 / Cl. 3 (f) & (g)	64	Scope of work - Technical Due Diligence	The details of existing facilities are not available as of now. We assume that all documents will be made available for the study. Kindly confirm if our understanding is correct	<p>Please refer to RFP document – Section 2 – Instruction to Consultants – Data Sheet – Clause 1.4 (1) and (3) Page 28: STC will arrange for the following to be provided to the successful bidder:</p> <ul style="list-style-type: none"> • Access to the relevant financial statements and other documents that may be usual for this type of transaction, and physical access to the Target’s facility for technical assessment • In case the selected consultant would require a visit to the port area (Port Louis, Mauritius), STC will assist in procedures for authorization to gain access to site. <p>NOTE: For the avoidance of doubt, for carrying out technical due diligence, the consultant shall <u>physically assess, at the premises/location of the Target in Port Louis, Mauritius, all the technical aspects of the facility, tanks, pipelines, all associated installation of the Target, etc. For this purpose, STC will arrange for the consultant to be provided physical access to the Target’s facility for technical assessment and consult relevant documents regarding the facility, etc.</u></p>

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6	Section - 5 / Cl. 3(g)	64	Regarding the technical aspects of the facility, the consultant should cover, inter alia, the following: <ul style="list-style-type: none"> The existing condition of the facility (including any potential risk of leakages, environmental impact assessment, if any) 	For this purpose, complete understanding of the present condition of all existing facilities is essential. We would require the latest inspection details/documents of facility (each equipment, pipes etc.), Based on this data, information, we will assess the health of the facility and equipment. We also require the history Cards of all equipment indicating all repair, replacements etc. done in each of the equipment in these facilities. Therefore, we request confirmation on whether the required data can be made available by the client during the course of the assignment	Please refer to STC response/comment at S. No. 5 above.
7	Section - 5 / Cl. 3(g)	64	Regarding the technical aspects of the facility, the consultant should cover, inter alia, the following: <ul style="list-style-type: none"> The existing condition of the facility (including any potential risk of leakages, environmental impact assessment, if any) 	Each facility has to be checked for the adequacy of new requirements and limitations if any will have to be brought out in the report. For this we require all design data of every facility and Equipment. Bring out the deficiencies, if any and recommend the changes as required. Therefore, we request confirmation on whether the required data can be made available in the course of the assignment	Please refer to STC response/comment at S. No. 5 above.

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S.No.	Cl No./ Section	Page no.	Clause description	Query from potential bidder/s	STC response/comment
8	Section - 5 / Cl. 3(g)	64	<p>Regarding the technical aspects of the facility, the consultant should cover, inter alia, the following:</p> <ul style="list-style-type: none"> • The existing condition of the facility (including any potential risk of leakages, environmental impact assessment, if any) 	<p>Request the client to confirm whether remaining life assessment is required or not. Since the facilities are in operation, and will be used for quite some time in the future, it may be worthwhile to get this study done. Any past data for the same may also be shared for this purpose during the course of the assignment</p>	<p>As per RFP document, Section 5 – Scope of Work – Clause 3 (f) & (g), the consultant shall carry out technical due diligence and assess all the technical aspects, inter alia:</p> <p><quote></p> <p>(i) <i>The existing condition of the facility (including any potential risk of leakages, environmental impact assessment, if any),</i></p> <p>(ii) <i>Any cost associated with major inspection for re-certification, etc.</i></p> <p>(iii) <i>Costs of annual maintenance to ensure the tanks and associated installation are kept in good running condition and as per industry standards/norms,</i></p> <p>(iv) <i>Audit of the compliance of the Target with respect to the existing Code of Practice for the safe storage of LPG,</i></p> <p>(v) <i>Exposure to new/potential liabilities, if any, which the consultant might come across during the due diligence exercise,</i></p> <p>(vi) <i>Any investment required to meet emerging national and international standards; and</i></p> <p>(vii) <i>Any other requirements which would be usual for this type of exercise.</i></p> <p><unquote></p> <p>NOTES:</p> <ul style="list-style-type: none"> • With reference to (vii) above, consultant has to carry out a due diligence on the existing condition as well as future aspects of the facility, such as estimated lifetime of the facility. • The consultant’s report has to include a full-fledged assessment of all the technical aspects.

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9	Section - 5 / Cl. 3(g)	64	Regarding the technical aspects of the facility, the consultant should cover, inter alia, the following: <ul style="list-style-type: none"> Any cost associated with major inspection for re-certification, etc. 	Request the client to confirm whether any inspection data of the recent past is available and can be provided during the study	Please refer to STC response/comment at S. No. 5 above.
10	Section - 5 / Cl. 3(g)	64	Regarding the technical aspects of the facility, the consultant should cover, inter alia, the following: <ul style="list-style-type: none"> Costs of annual maintenance to ensure the tanks and associated installation are kept in good running condition and as per industry standards/norms 	The client is requested to define the number of years of future operation of the asset	Please refer to STC response/comment at S. No. 8 above.
11	Section - 5 / Cl. 3(g)	64	Regarding the technical aspects of the facility, the consultant should cover, inter alia, the following: <ul style="list-style-type: none"> Audit of the compliance of the Target with respect to the existing Code of Practice for the safe storage of LPG 	As per our understanding, the design codes and standards of all existing equipment will be required which will be compared with the current applicable standards and codes and modifications/changes if any will be indicated (assuming that the existing facilities are as per the design documents, and changes if any shall be informed by the client). Alternately we may have to carry out extensive field checks and audits. Therefore, request the client to confirm whether the audit will be based on the supplied documents only or we have to consider field audit	Please refer to STC response/comment at S. No. 5 and S. No. 8 above.

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12	Section - 5 / Cl. 3(g)	64	Regarding the technical aspects of the facility, the consultant should cover, inter alia, the following: <ul style="list-style-type: none"> Any other requirements which would be usual for this type of exercise 	<p>For this aspect, we suggest the following aspects may be explored. Request the client to confirm if data / documentation around the same can be provided during the study</p> <p>i) If any environmental impact assessment study is done, the same may be provided. ii) Details of Safety standards followed for design of the facilities iii) Carbon dioxide emissions in the design. Are there any limits by the country to control the same iv) How much automation is required? What are the present automation levels. v) Existing Firefighting facilities and the norms followed. Availability of water for firefighting. vi) Any risk analysis been done for these facilities and the location. If so , copy of the report. How far are other facilities or human habitation from this location</p>	<p>Please refer to STC response/ comment at S. No. 5 and S. No. 8 above.</p> <p>Consultant to carry out a comprehensive due diligence of all the technical aspects of the facility as per the Section 5 – Clause 3 – Scope of Work.</p>
13	Section 1 – Para. 5	5	Registration with Constructions Industry Development Board (CIDB) of Mauritius	<p>We would like to submit that, as per your above tender notice on page no. 5 para 5, that foreign consultant has to obtain provisional registration with CIDB as per details given in para, however in bold letter written that, this para is not applicable to this tender. Please confirm that this para 5 is not applicable to us while assessment of eligibility of firm.</p>	<p>As specified at Section 2 – Instruction to Consultants – Data Sheet – Clause ref. 1.8.1 at Page 29, the standard clause/Paragraph 5 is not applicable for the present RFP.</p>