

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 dated 21 March 2022

S. No.	Reference in bidding document	Query from potential bidder/s	STC response/comment
1	<p>Bidders shall submit their bids in hardcopy or by mail by the date, time and at the address indicated hereunder:</p> <p>(Date & Time (Mauritian Time): Monday 28 March 2022 up to 14.00 hrs at latest.</p> <p>The General Manager State Trading Corporation, 55 Business Zone, Ebene, Cybercity 72201, Ebene, Reduit, Mauritius</p>	<p>We are preparing a customized proposal tailored to the specific requirements listed in the Scope of Service. Also, business operations are impacted due to COVID-19 situation where our project team members have been contaminated.</p> <p>Hence, we would be grateful if you could extend the submission deadline by at least two weeks.</p>	<p>Kindly refer to Addendum No. 1 dated 22 March 2022.</p>
2	NOT APPLICABLE	<p>Has the owner of the Target (the “Seller”) announced to STC its intention to sell the Target?</p> <p style="margin-left: 40px;">a. If yes, for what reasons is the Seller selling the target?</p> <p style="margin-left: 40px;">b. If not, is STC seeking to submit an unsolicited bid for the Target?</p>	<p>STC has approached the Seller for acquisition of the Target and the Seller has acceded to STC’s request.</p>

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3	NOT APPLICABLE	<p>2. Has the Seller agreed to sell the Target to STC?</p> <p style="padding-left: 20px;">a. If yes, has a price for the Target been agreed between the Seller and STC?</p> <p style="padding-left: 20px;">b. Has the Seller granted exclusivity to STC to submit a bid for the Target or is there a possibility that the Seller may invite multiple parties for bid for the Target?</p> <p style="padding-left: 20px;">c. Has a transaction process and timeline been agreed between the Seller and STC?</p> <p style="padding-left: 20px;">i. If yes, can we please have details of the transaction process and timeline that has been agreed between the Seller and STC. In particular, please clarify if this:</p> <p style="padding-left: 40px;">1. A two-stage transaction process under which:</p> <p style="padding-left: 80px;">a. STC first has to submit an indicative bid to the Seller based on limited information on the Target; and</p> <p style="padding-left: 80px;">b. If STC’s indicative bid is accepted by the Seller, STC will be given access to a comprehensive data-room in order to perform a detailed due diligence and valuation of the Target and then submit a binding bid? or</p>	<ul style="list-style-type: none"> • Yes, the Seller has agreed to sell the Target to STC. The present exercise aims at reaching financial agreement for the acquisition. • As stated above, the proposed acquisition would be based on mutual agreement to be reached between the two parties. There is presently no bidding exercise for the Target. • The timeline for this assignment is 12 weeks from start of assignment as per the RFP document. • The Seller will immediately provide access to all documents required for this exercise in a data-room (or equivalent) and physical access to its facilities in Port Louis, Mauritius.
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		2. A single-stage transaction process under which STC will be immediately given access to a comprehensive data-room in order to perform a detailed due diligence and valuation of the Target and then submit a binding bid (ie no indicative bid stage)?	<ul style="list-style-type: none">Please refer to the above response.
4	NOT APPLICABLE	Will this transaction consist in STC acquiring 100% of the shares in one single entity that owns all the assets and employees of the Target? Or will the transaction involve the acquisition of multiple corporate entities and/or the carve-out of assets and/or employees from other corporate entities prior to their sale to STC?	The transaction will consist in acquisition of 100% shares of one single entity that owns all the assets and employees of the Target.

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5	<p>From pages 69 and 70, there are four stages, namely:</p> <ul style="list-style-type: none"> • Stage 4 • Stage 5 • Stage 6 • Stage 7 	<p>Does the scope of the Legal Expert include:</p> <ol style="list-style-type: none"> a. Legal due diligence on the Target? If yes, under which stage(s) (in pages 69 and 70 of the RFP) will this be required? and/or b. The drafting and negotiation of the Sale & Purchase Agreement or other relevant transaction agreement that will be required to formalise the sale of the Target by the Seller to STC? If yes, under which stage(s) (in pages 69 and 70 of the RFP) will this be required? 	<ul style="list-style-type: none"> • The Consultant’s job shall include all the requirements which would be usual for this type of exercise. • The successful bidder’s team member will be responsible for drafting and negotiation of the Sale & Purchase Agreement. This will be required at Stage 8 – refer to page 69 of the RFP.
6	<p>Paragraph 3 (b) of page page 63 of the RFP states that the Consultant should perform Tax Due Diligence. Furthermore, paragraph 4.(b)(iv) of page 65 states that the consultant should be able to cover all “taxation” aspects of the transaction.</p>	<p>Can STC thus please confirm if it requires tax due diligence and tax structuring services? If yes:</p> <ol style="list-style-type: none"> a. Under which stage(s) (in pages 69 and 70 of the RFP) will these services be required? b. We would recommend that STC add the requirement for a “Tax expert” in section 5 of the RFP. 	<p>The Consultant’s job shall include due diligence on whether the Seller has complied with all its tax obligations prior to completion of acquisition of the Target.</p>

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7	Under Section 5 of the RFP, the required team of expert is mentioned.	We would also recommend that STC add the requirement for a "Valuation expert" in section 5 of the RFP.	The Consultant's team as defined in the Section 5 at pages 65 – 66 shall carry out all the requirements as per the TORs in the RFP.
8	Page 69 of the RFP states that the Consultant needs to submit a Term Sheet for the proposed acquisition within one week of kick-off meeting.	This is impossible because the Consultant will first need to perform a valuation of the Target, which may take a minimum of two to three weeks. Can STC thus please change the "Submission period from start date" for "Stage no. 1" to week 3?	<p>The Term Sheet is required at the beginning of the assignment so that both Seller and Client make a commitment for facilitating / ensuring that the assignment will be carried out as per the activities and timeline to be specified therein.</p> <p>In view of the above, the Term Sheet will be required prior to valuation of the Target.</p>

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9	Pages 68 – Stage 4 and Stage 5 Pages 70 & 71 – Payment terms	There is a possibility that, at the end of stage 4, the Seller and STC do not reach agreement on the valuation amount (see bottom of page 68 of the RFP) and thus the transaction would not proceed to stage 5. In that scenario, milestones 2, 3 and 4 (in page 71 of the RFP) would never be met and the consultant would only receive the payment for milestone 1. We estimate that the work to be performed under Milestone 1 may represent 40% to 60% of total contract value depending on the exact scope required by STC under milestone 1 (see comments and questions above of legal and tax scopes), not 20% as currently stated in the RFP. Can STC thus increase the % of Milestone 1 from 20% to up to 50%? This increase could be compensated by a decrease in the payments for both milestone 2 (to 15%) and milestone 3 (to 25%)	As per the RFP document, the Bidder has to provide a breakdown of quoted lump-sum amount in Form FIN-1. In case the transaction would not proceed beyond a certain stage at STC's option, then the Consultant would be remunerated up to the stage of assignment actually achieved at that point.
10	Page 71 – Payment terms (Milestones 3)	Can STC please provide details on how it expects Milestone 3, in page 71 of the RFP, to work? We would expect this milestone to consist in four payments that would be made at the end of each month following the kick-off meeting and for a period of four months. Each monthly payment would be equal to ¼ of 40% (or less if the payment under milestone 1 is increased / See above) of total contract value. Does STC agree with our assumption?	As per the RFP document, payment shall be made after approval of the consultant's specific deliverables and the completion of the milestones as per breakdown given at Paragraph 9 - Payment Terms (pages 70-71).

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11	Page 29 Section 3.3 (b)	Should STC require all the scope mentioned in the RFP and here-above, we estimate that the number of professional staff-months required for the assignment could exceed 8 staff-months, not the 3 staff-months mentioned in section 3.3 (b) on page 29 of the RFP. Does STC agree with our assumption? If not, could you please provide the assumptions STC used to calculate the 3 staff-months?	Bidder has to abide to the requirement of the RFP document.
12	Page 64 Paragraph 3 (h)	Is the scope in Paragraph 3 (h) on page 64 of the RFP limited to the Consultant providing funding options to STC or does it include the Consultant assisting STC in raising debt and/or equity funding in order to finance the acquisition of the Target? If the scope includes the later, the estimated total staff-months mentioned under 10 above is likely to exceed 10 staff months and the duration of the Consultant's engagement is likely to exceed 24 weeks. Does STC agree with our assumption? If not, could you please provide an explanation?	As per the RFP document, Consultant shall carry out detailed analysis on possible options of financing the said acquisition and propose a suitable mode of financing for the project. Please refer to page 64 of RFP.