



INCORPORATED ASSOCIATION NOT FOR GAIN

SFF ASSOCIATION Reg.No. 1964/010277/08
BLOCK C, UPPER GRAYSTON OFFICE PARK
152 ANN CRESCENT, STRATHAVON SANDTON 2199
P O BOX 786141 SANDTON 2146 SOUTH AFRICA
TEL (010) 201 4700 FAX (010) 201 4820

REQUEST FOR PROPOSAL: SFF/MIL/2010/001

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DIRECTORS: B MABUZA (CHAIRPERSON), DR Z RUSTOMJEE, *A OSMAN, *M DAMANE, Y TENZA,
P ZIKALALA
GROUP COMPANY SECRETARY: A. HAFJEJEE
* Executive

1. Introduction

The Strategic Fuel Fund Association (SFF), is a Section 21 company and a subsidiary of CEF. It manages South Africa's strategic inventory of crude oil on behalf of the State.

SFF holds strategic stocks of about 10.5-million barrels of crude oil. It manages the storage facilities in the Western Cape at Milnerton, outside Cape Town, and at Saldanha Bay. It also owns sizeable coal deposits near Johannesburg.

The strategic stocks of crude oil and the land and buildings used to hold the stock are the property of the State. SFF has acted as the agent of the State in managing these assets under the guidance of ministerial directives issued by the Minister of Minerals and Energy in terms of the CEF Act. SFF has identified its need to refurbish some of its Crude Oil Storage Tanks at its Milnerton Storage Facility Tank Farm.

SFF is looking for a partner to refurbish between five (5) to ten (10) of the steel storage tanks. The cost of refurbishment will be borne by the selected partner. They in turn will recover their cost through a negotiated storage contract.

2. Scope of Work – General

The scope of work entails the inspection and repair of up to 10 crude oil storage tanks for the purpose of future crude oil storage; this will include but will not be limited to the following:

- Tanks to be inspected to determine full scope per tank
- All badly corroded plates on tank roof to be replaced
- All defective welding on tank roof to be repaired
- Internally inspect pontoons for leaks and repair if required
- All tank roof maintenance support legs to be inspected and repaired
- Tank roof drain system to be inspected and repaired including the installation of new “pivot master” pivots
- Tank roof seal system to be removed and to be replaced with double seal system as fitted to tanks 3,5,6,8,10,& 12.
- Entire tank floor to be inspected for corrosion/damage/cracks and to be repaired if required
- Spiral access stairwell to tank top to be renewed
- Tank roof access rolling ladder to be inspected and all defects to be repaired
- All fire hydrant and sprinkler system to be fully serviced
- All tank skin isolation valves to be renewed or overhauled
- All visible corrosion on the tank is to be shot-blasted and painted
- All manhole/ access hatch gaskets to be renewed as well as all bolts and nuts
- Inspect wind skirt and repair all defects
- Overhaul and set rim vent valve
- Automatic roof bleeders to be inspected and gaskets renewed
- Inspect s/steel shunts and rubbers and renew if required
- Roof guide pole to be inspected and repaired if required
- Earthing cable on tank roof to be inspected and renewed if required
- Tank shell bottom to tank foundation sealing to be inspected and repaired is required
- Foam pourers to be inspected and all damaged parts to be renewed
- Fire alarm system- inspect cable reel and cable and renew any damaged parts/equipment

3. Vendor Data Requirements

The attached "Vendor Data Requirements List" (VDRL) contains the specific requirements for the supply of Vendor's calculations, drawings and documentation as applicable to engineering items. These requirements are further defined in SFF

Note: Certain items on the list are to be submitted with the bid. The list shall be **signed by the vendor and returned with the proposal.**

4. Engineering Notes

5. Quality Assurance

All work shall be subjected to the QA/QC requirements and procedures defined by the Code, SFF Specifications & Procedures and ISO 9000 series. For QA/QC documentation requirements see attached VDRL.

6. Location

The Milnerton tank farm is located in Bothasig, at the corner of Plattekloof Road and Tygervalley Road.

7. Supplied by Contractor

The Contractor shall as part of the work supply, establish, install, properly maintain and remove on completion all temporary infrastructure, facilities and utilities necessary for the complete performance of the work, unless otherwise expressly provided by SFF.

Such items shall include but not be limited to:

- All temporary buildings including lockable containers for the safekeeping of the Contractor's as well as any free issued materials, goods or equipment.
- These buildings, containers and equipment shall be in a good and safe condition, be serviced on a daily basis and satisfy all safety requirements of SFF.
- All fuel and lubricants necessary for own plant and equipment
- All small tools and equipment, including but not limited to:
 - Torque wrenches and hoses
 - Impact wrenches & hoses
 - Cutting torches
 - Sockets
 - Flogging spanners
 - Electrical hand tools
 - Generators & welding machines
 - Pneumatic wire brushes
 - Portable lighting
 - Electrical extension cables
 - Welding Consumables
 - Hot boxes
 - Gas bottles
 - Heat treatment if any
 - Refuse containers or bins
 - Temporary shelters to protect against bad weather conditions.
 - Stand(s), supports, rollers, etc as may be necessary to efficiently execute this project.

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- Maintenance of the Contractor's lay down area, storage and work areas
- Communication facilities e.g. intrinsically safe two way radios, pagers & cell phones
- End blanks, fittings, HP hoses, valves pumps and pressure gauges required for hydro-testing. Pressure gauges shall have their calibration checked by SFF one week prior to the commencement of hydro testing activities. Vendor shall include spare pumps & pressure gauges.
- Scaffolding & related equipment.
- Sandblasting & Painting equipment or service where required. (The contractor may elect to use the approved contractor on site)
- H P Cleaning equipment / services.
- Tarpaulins & other necessary protective equipment
- Electrical supply, a limited availability and capacity of 220V / 525V is available however, SFF cannot guarantee the continuity of supply.
- The contractor will therefore be required to provide suitable generators, distribution panels, extension cables, etc.
- The contractor shall supply at his own cost plugs conforming to the following specifications if the 220V / 525V power supply at SFF will be used.

220 Volt	A.B.B.G.H.G.5471036 16 Amp 6 hrs 220V / 240V 50 – 60 Hz EEXDE II CT6
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400 Volt	A.B.B.G.H.G.5341407 660V, 3 phase & earth 63 Amp 7 hrs 500V EEXDE II CT6
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- The failure of the power supply shall not be deemed as a reason for any delays experienced by the contractor.
- The Contractor shall be responsible for all machining requirements by arranging mobile machining services on SFF site or transporting the units to and from a third party machining workshop.

8. Supplied by SFF

The following facilities shall be supplied to the contractor on a free issue basis:

- SFF Specifications & Standards
- Overall Shutdown Planning schedule
- Parking facilities
- Sanitary facilities, portable toilets, including janitorial services
- Potable water points on site. (connection & disconnection by contractor)
- Water for hydrostatic pressure tests
- Electrical power – limited supply & continuity uncertain
- Calibration checks of pressure gauges
- Removal of scrap from the dedicated work area

9. Safety Requirements

- The Contractor shall be familiar and comply with the requirements of:
 - The OCCUPATIONAL HEALTH & SAFETY ACT, Act No. 85 of 1993; and
 - SFF General Safety Policy, Regulations and Standing instructions.
- The Contractor's personnel shall undergo the various safety induction courses as prescribed by the SFF Safety Department (e.g. Permit to work, etc.).
- The Contractor's personnel shall be provided with as a minimum the following safety equipment / apparel in good condition:
 - Overalls with long sleeves;
 - Safety shoes/boots;
 - Hard-hats;
 - Hearing protectors;
 - Ear plugs;
 - Safety glasses;
 - Dusk masks;
 - Gloves; and
 - Rain suits.
- All safety equipment shall bear the SABS stamp of approval and shall also be approved by the SFF Safety Department. The overalls and hard hats shall have the Contractor's logo, name or other distinguishable feature for ease of identification. No member of the Contractor's personnel shall be allowed to wear any safety equipment bearing the SFF logo.
- All equipment to be used by the Contractor or its personnel will be subjected to an intensive safety inspection by the SFF Safety Department.
- The Contractor shall be responsible for obtaining the necessary entrance permits and security clearance documentation, at least 7 working days prior to commencement of the Works. This shall include the necessary permits to work.
- No work shall be done until the applicable Safety & Hot work authorisation has been issued to the Contractor. The Contractor shall be required to sign and accept the permit before commencing work and again after completion of the work.
- Contractor's personnel may not work in excess of the maximum approved hours in any 7 consecutive day period.
- Electrical equipment to be used by the Contractor shall be supplied with the correct male socket to fit the female socket as specified. Electrical equipment shall be subject to inspection and approval by SFF.
- Electrical equipment to be used by the Contractor shall conform to a minimum area classification of Class 1, Div II, group 2C, T6. Intrinsically safe equipment is to be used at all times.
- The Contractor shall be responsible for good housekeeping and shall ensure that the area is left in a clean and tidy condition after completion of the Works.
- The Contractor's personnel shall only be permitted on site after the attendance of a safety induction [approximately 1 hour in duration. All supervisors shall in addition attend and become competent in the following:
 - Work permits;
 - Hot work permits;
 - First aid; and

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- Daily Toolbox talks (15 minutes).
- Proof of having undergone the above training shall be submitted to the responsible SFF Representative for filing and referencing.

10. Planning and other Requirements

- Daily project meetings will be conducted at 08:00 and 16:00 in the site planning offices. The Contractor shall report back on progress status, problem areas, etc. at these meetings. The Contractor shall at all times refer to the Project bar chart, work schedules.
- The Contractor will be issued with a work schedule and bar chart for the complete project two (2) weeks prior to commencement of the project.
- The Contractor shall at all times work according to or better than the Project bar chart and schedule.
- The Contractor's obligations pursuant to the Works shall not be deemed complete until the SFF Representative has approved the execution thereof.
- The Contractor shall be responsible for any standard or specification mentioned and those not in the Contractor's possession shall be requested from SFF prior to Contract award.
- The Contractor shall have the necessary infrastructure to execute the Works in high volumes during the project, without sacrificing control or quality required by SFF.
- All rework due to work rejected by the responsible SFF Representative or delegated Inspection Authority shall be corrected at no cost to SFF.
- Damage by the Contractor to any SFF facility or equipment shall be for the Contractor's expense.
- During the project, the Contractor shall make allowances to work continuously during all weather conditions, unless otherwise instructed, or an unsafe condition arises.
- The Contractor shall be responsible to plan all his own activities to meet the required end dates and shall ensure that it is in line with the overall project plan.
- The Contractor shall, if required, implement shifts to work on a 24 hours basis to meet the required end dates.
- The Contractor shall be responsible for all interface arrangements with SFF and all third parties that will supply a service, particularly with services like machining that could be the critical path in achieving the end dates.
- The Contractor shall negotiate in advance with SFF and all third parties that need to deliver a service the capacity to deliver the required service on time.
- The Contractor shall take full responsibility of all tools & equipment brought on site and SFF shall not be kept responsible for any damage or theft.

11. Personnel

- The Contractor shall, in order to ensure a competent management structure, supply an organogram with full details of its personnel structure and any other relevant infrastructure required for the

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completion of the Works, including curriculum vitae of its key personnel with contact numbers during the full duration of the services.

- Key personnel shall be capable of communicating in English, and shall be capable of correctly reading and interpreting permits, job cards (works orders), drawings, specifications, and other documentation as required.
- To comply with the requirements of this Contract, all Supervisors, Artisans, Semi-skilled Artisans, General Workers, Cleaners, etc are required to be suitably qualified and competent in order to maintain a high level of workmanship. Proof of competency to be made available prior to execution. The Contractor shall have the proper testing methods in place to ensure that Artisans are competent for the job. SFF reserves the right to have a Representative accompanying the Contractor to witness such testing and.
- The Contractor's Contract Manager shall be suitably appointed as required by the OCCUPATIONAL HEALTH & SAFETY ACT, and shall be certified to sign Work Permits and accepts full responsibility for actions and omissions within his control. Hot work permits shall be authorised by SFF, (Mechanical Engineer and Terminal Manager).
- General workers and semi-skilled personnel shall be recruited from the local community, preferably from the Local Labour Forum database. The Contractor shall supply to SFF, per skills category, the origin of recruitment of its employees.
- The Contractor's personnel must be made aware of the hazardous conditions on site and be medically fit to perform the duties as required. The Contractor's personnel shall undergo an entry and exit medical examination at the Contractor's expense, which is to be supplied to SFF's medical station, Saldanha/Milnerton.
- The SFF Representative shall be entitled to object to any person employed on site by the Contractor who is found to be unsuitable in respect of:
 - qualifications or workmanship
 - safety violations and unsafe acts
 - equipment and machinery care
 - behaviour
 - negligence
- Working hours shall be within the hours stipulated by law and any additional hours that may be required are to be arranged with the respective Bargaining Councils.

12. Accommodation and Lunch packs

Contractor shall make provision for accommodation and lunch packs for their workforce.

13. Transport

Contractor to provide own transport.

14. Fuel and Maintenance

14.1 Fuel Supply

The Contractors shall be responsible for his own fuel supply.

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14.2 Maintenance & Repairs

Each Contractor shall be responsible for the maintenance and repair of their own equipment.

15. Submittals

The Contractor shall supply, for approval by SFF a QA indicating the quality assurance and quality control checks that are to be conducted by the Contractor in order to ensure the integrity of the project work is in accordance with SFF's standards and requirements. An example of the said document is to be supplied with the Proposal.

- A project plan showing all major activities' start and end dates, milestones are to be submitted with the proposals;
- Furnish a list of references for which the tenderer has done similar work;
- Supply copy of registration certificate with compensation commissioner (letter of good standing);
- Give proof of insurance (liability) and insurance policy number.

16. Scope of Work Changes & Additional Work

The Contractor shall have no authority in any aspect to change the scope of work originally agreed on. Any changes in scope or additional work shall be negotiated in advance between SFF and the Contractor and be accompanied by an approved Concession Request or Change order.

17. Essential work not included in scope

Any work or activity identified to be an essential part of the service but not specifically covered or addressed in this document shall be reported to the Project Manager.

The deficiency shall be discussed and the Contractor shall submit a separate quote based on the rates submitted with this proposal. Written approval by the Project Manager shall be required to proceed.

18. Evaluation Criteria

All tenderers will be evaluated by summarising the points scored by each Supplier after applying the 90/10, meaning that a maximum of 10 points maybe allocated for contracting with persons or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability. This is preference scoring system as prescribed in the Preferential Procurement Policy Framework Act of 2000.

SFF will consider the following variables in its final decision making:

- Requisite skills and track record;
- The involvement of a BEE component in the service being rendered; and
- Pricing

19. Required Documents

All tenderers will be required to submit the following documents together with their proposal:

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- Declaration of conflict of interest (see Appendix I);
- Confidentiality agreement (see Appendix I);
- Detail of Directors, shareholders/ members and Management where applicable;
- Details of Black ownership of Tenderer;
- Certificates to be provided:
 - Latest Tax Clearance Certificate
 - Certificate of incorporation (CM1)
 - BEE rating certificate (if available) will be an added advantage

The following particulars must be furnished and failure to do so will result in your proposal being disqualified:

- Name of Bidder;
- Postal address;
- Street Address;
- Telephone number;
- Cell Phone number; and
- Facsimile number

20. Disqualification or withdrawal of a proposal

Proposals will be disqualified if:

- Any attempt is made by the Tenderer to directly or indirectly canvas any member of CEF group's personnel for support;
- Non-compliance with tender specifications as set out in the Request for Proposal;
- The tender proposal is incorrectly signed or signed by persons not duly authorised thereto;
- Inaccurate and/or insufficient information is provided in the tender proposal submitted;
- Failure to comply with statutory requirements such as failure to submit Tax Clearance Certificate; and
- Failure to declare a known possible conflict of interest.

21. Return of Tender Documents

- The closing date for the tender will be Wednesday, 30 June 2010 at 12h00pm.
- Completed proposals must be placed in a sealed envelope that is to be endorsed with the words “**Request for Proposal- Refurbishment of Crude Oil Tanks**” in the tender box which will be situated in the reception area of **Cnr Platterkloof & Tygervalley Road, Milnerton**;
- Late or incomplete tenders will not be accepted nor considered;
- Proposals delivered to any address or deposited in any box other than the address as mentioned above will not be considered and consequently will be returned to the bidders; and
- All proposals must be completed in permanent ink.

22. Queries

It should be noted that drawings, data sheets and other detailed specification will be made available by SFF at the compulsory briefing session that will be held on **Friday 26 February 2010** at **Cnr Platterkloof & Tygervalley Road, Milnerton** at the following times: **10h00am – 12h30pm**.

Any additional information required which was not clarified at the briefing session must be in writing to the Procurement Manager, N. Kota. (nogaqambilek@cefgroup.co.za)

23. Awarding of Tender

The successful tenderer will be informed in writing of their success a month after the closing date; furthermore unsuccessful tenderers will be notified in writing.

24. Appendix I

INDIVIDUAL UNDERTAKING OF CONFIDENTIALITY

Identity Number _____

being employed/contracted as _____

by _____

at _____

do hereby solemnly undertake not to divulge any confidential information relating to the discharging of any obligations contained in the Terms and Conditions of Contract between CEF (Pty) Ltd and _____ (“the Consultant”), with regard to the implementation of the proposal submitted by the Consultant and subsequent Inception Meeting Minutes, if applicable, to anyone except with the prior written consent thereto of CEF.

I declare myself to be conversant with the terms of the General Terms and Conditions of Contract between CEF (Pty) Ltd and the Consultant and I bind myself in my personal capacity to refrain from committing or aiding any act or omission which would directly or indirectly be in conflict with the provisions of such Contract.

I understand and agree that my signature of this Undertaking will bring about an enforceable agreement between myself and CEF (Pty) Ltd and me. I irrevocably consent to the jurisdiction of the High Court of the Republic of South Africa in any action, application or other legal proceeding which may be brought against me as flowing from this Undertaking and I hereby

irrevocably choose as domicilium citandi et executandi for all such proceedings that domicilium chosen by the Consultant in the said Contract.

THUS DONE AND SIGNED AT _____

ON THIS _____ DAY OF _____ 200_.

SIGNATURE _____

WITNESS _____

**CEF (PTY) LTD
DECLARATION ON CONFLICT OF INTEREST**

Please mark the applicable block with an "X"

1. Is anyone within your organization a member of the board, or any committee of the board, of CEF (Pty) Ltd and/or its subsidiaries?

YES	NO
-----	----

If yes, please supply details:

2. Is anyone within your organization a close family member, i.e. brother, sister, husband, wife, parent or child, of anyone employed at CEF (Pty) Ltd and/or its subsidiaries?

YES	NO
-----	----

If yes, please supply details:

3. Are there any past or present clients of your organization whose interests will or could be of in conflict with those of CEF (Pty) Ltd and/or its subsidiaries?

YES	NO
-----	----

If yes, please supply details:

4. Are there any other interests of your organization or its employees which could be in conflict with the interests of CEF (Pty) Ltd and/or its subsidiaries?

YES	NO
-----	----

If yes, please supply details:

Signed by (Name) on behalf of (Organization) on

..... (Date) at (Place).

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