

**REQUEST FOR INFORMATION**

**FUEL GAS SUPPLY TO ACSA TRIGENERATION PLANTS AT:**

- O R Tambo International Airport
- Cape Town International Airport
- King Shaka International Airport

**Reference Number:** : COR6734/2021/RFI

**Issue Date** : 15 September 2021

**Last Day for Queries** : 29 September 2021 at 16h00 (CAT)

**Closing Date and Time** : 15 October 2021 at 16h00 (CAT)

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## LIST OF ACRONYMS/

Term	Definition
ACSA	Airports Company South Africa (SOC) Ltd
CNG	Compressed Natural Gas
CAT	Central African Time
CTIA	Cape Town International Airport
EPC	Engineering, Procurement and Construction
FEED	Front End Engineering Design
KSIA	King Shaka International Airport
LNG	Liquified Natural Gas
ORTIA	O R Tambo International Airport
RFI	Request for Information

## GLOSSARY

Term	Definition
Battery Limit	A geographical or physical boundary between two areas of responsibility, which identifies scope of works for units, facilities, systems as well as contractors.
Calorific value	The energy contained in a fuel, determined by measuring the heat produced by the complete combustion of a specified quantity.
Client	Airports Company South Africa SOC Limited.
Consultant	This refers to the main and other consultants assisting ACSA with overall project / programme management and technical services.
Fuel Gas	This refers to piped natural gas, compressed natural gas (CNG) and liquified natural gas (LNG) that will be suitable and economically viable to be used as fuel by the trigeneration plants
Solution	The solution includes people, process, technology and information.
Supplier	This is the entity that will provide all the services and products required for the proposed solution. This supplier could include sub-contractors.

## **1 BACKGROUND**

Airports Company South Africa SOC Ltd (ACSA) owns and manages a network of nine airports in South Africa, including the three main international gateways of O.R. Tambo International Airport (ORTIA), Cape Town International Airport (CTIA) and King Shaka International Airport (KSIA). In FY2019/20, the nine airports facilitated over 20.9 million departing passengers.

ACSA focuses on creating sustainable value that positively impacts our business, our people and society, and our environment over the short, medium and long term. In recent years, the cost of electricity has drastically escalated and consumed a significant portion of ACSA's annual operating costs. It is anticipated that annual increases in electricity tariffs as well as the imminent promulgation of the Carbon Tax Bill will lead to further increases in current operating expenditure on electricity.

The average annual maximum demand at ACSA's three largest airports is as follows:

- OR Tambo International Airport (ORTIA) – 17.2MVA
- Cape Town International Airport (CTIA) – 11.6 MVA
- King Shaka International Airport (KSIA) – 6.9MVA

In an effort to reduce operating costs and improve security of energy supply, ACSA has identified fuel gas trigeneration technology as a high potential technology for the supply of electricity, cooling and heating requirements at the above mentioned airports. In addition, this technology has the potential to significantly reduce ACSA's carbon footprint.

In this regard, ACSA has commissioned a Front End Engineering Design (FEED) study to investigate the integration and adoption of fuel gas trigeneration technology for its airports. The output of this feasibility study will be used to define the project requirements for detailed engineering, procurement and construction (EPC) of the facilities. Furthermore, the FEED will provide capital and operating cost estimates which will allow ACSA to conduct investment analysis and make a final investment decision. It is envisaged that these plants will be commissioned in or around 2025 should ACSA make a Final Investment Decision to continue with the project.

## **2 OBJECTIVES OF THE RFI**

The objectives of this Request For Information (RFI) are to:

- Solicit information from potential suppliers of piped natural gas, compressed natural gas (CNG) and liquified natural gas (LNG) regarding the availability (supply capacity) of fuel gas.
- Gather fuel gas prices which will be used for investment analysis of the trigeneration technology
- Assess market interest to supply fuel gas to ACSA's airport trigeneration plants

Given that security of gas supply will be a key determinant of the successful implementation of this project/s, ACSA's decision to proceed with EPC will depend to a great extent on the information provided in response to this RFI.

Considering the time required to complete the FEED study, a decision to proceed with the implementation of the project/s is not expected prior to March 2022.

## **3 SCOPE OF WORK**

In responding to this RFI, the Respondent is required to provide gas supply information for any one or all three of the stated airports i.e. there is no requirement for the Respondent to be able to supply gas to all three airports. ACSA will consider utilizing multiple suppliers across the three airports.

### **3.1. Security of Gas Supply**

In respect of Security of Gas Supply, the Respondent is required to:

- 3.1.1. Describe the form of gas to be supplied to ACSA. In this instance "fuel gas" shall be taken to refer to any of: natural gas from a pipeline network, compressed gas or liquified natural gas;
- 3.1.2. Confirm the capacity to supply ACSA with the following indicative quantities of fuel gas:
  - OR Tambo International Airport: 1.00 million GJ per annum
  - Cape Town International Airport: 0.70 million GJ per annum
  - King Shaka International Airport: 0.45 million GJ per annum
- 3.1.3. Confirm the expected date at which fuel gas will be available for supply to the relevant ACSA airport/s;

### **3.2. Gas Quality Specifications**

In respect of Gas Specification, the Respondent is required to:

- 3.2.1. Confirm the molecular composition of the gas;
- 3.2.2. Confirm the Gross Calorific Value (or Higher Heating Value) of the gas;
- 3.2.3. Provide the density of the gas at ACSA's battery limit;
- 3.2.4. Confirm the gas supply pressure at ACSA's battery limit;

### **3.3. Gas Supply Method**

In respect of the Method of Gas Supply, the Respondent is required to:

- 3.3.1. Describe the source and location of the supply facilities that will provide gas to the relevant ACSA airport;
- 3.3.2. Describe the gas supply equipment (pipeline or tube trailers).
- 3.3.3. In the event that the Respondent intends to make use of a gas transmission network, the Respondent should provide a description of the transmission network and its ownership structure. In addition, the responded should also indicate potential pipeline tie-in locations. It should also be clearly stated whether ACSA or the Respondent will be responsible for the construction of the off-take line from the tie-in location to ACSA's battery limit;
- 3.3.4. In the event that the Respondent intends to make use of road transport, the Respondent is requested to provide information regarding the possible transportation and storage arrangement between itself and ACSA. This should include mobile and/or fixed supply options, as well as the regulatory and environmental requirements thereof;
- 3.3.5. Describe how the volume of gas supplied to the airport/s will be metered and whether the Respondent or ACSA will be responsible for the installation and management of metering stations;

### **3.4. Gas Pricing**

In respect of the Gas Pricing, the Respondent is required to:

- 3.4.1. Provide budget prices for the supply of fuel gas to the relevant ACSA airport/s (delivered price);
- 3.4.2. Describe the fuel gas pricing structure which may include the gas cost, transportation cost, onsite storage cost etc;
- 3.4.3. Provide an indication of the expected stability of the gas price and forecasted escalation over the gas supply contract duration;
- 3.4.4. Describe the factors that will drive the fuel gas price escalation;

### **3.5. Sale and Purchase Agreement**

In respect of the Gas Supply Contract, the Respondent is required to:

- 3.5.1. Provide a description of the type/s of supply contracts that will be offered to ACSA;
- 3.5.2. Provide an indication of the likely contract duration (term);
- 3.5.3. Provide an indication of the level of commitment that will be stipulated in the contract e.g. “firm contract”, “take or pay”, “spot contract”, “reasonable endeavours” etc.

### **3.6. Technical requirements**

- 3.6.1. Natural Gas or Methane rich gas is preferred for OR Tambo and King Shaka International Airports however, the Respondent may propose other additional forms of fuel gas.
- 3.6.2. Liquid Petroleum Gas is preferred for Cape Town International Airport however, the Respondent may propose other additional forms of fuel gas.
- 3.6.3. Gas supply to Cape Town International Airport shall be through a Virtual Gas Network, 7-day storage facilities will be provided by ACSA.
- 3.6.4. Gas to be supplied at a pressure of 400 kPag at ACSA battery limits.

### **3.7. Relevant Experience**

Respondents should provide their company profile and information demonstrating previous (or existing) relevant experience in the supply of fuel gas. This information may include a list of previous (or current) clients as well as the supplied fuel gas volumes.



## 4 INSTRUCTIONS TO RESPONDENTS

The following should be noted in terms of this RFI process and submission.

### 4.1. Submission of Information

Submit information via e-mail only to e-mail address [tenders.scm1@airports.co.za](mailto:tenders.scm1@airports.co.za).

*The subject line must include COR6734/2021/RFI*

Size of information in **each e-mail** must be maximum 10MB.

- Documents must be in pdf format
- Submission/s can be made in multiple emails if required

*When submitting the information, respondents to indicate the number of e-mails ACSA will receive for their entire submission.*

### 4.2. Clarifications and enquiries

Formal enquiries and clarifications with respect to this RFI should be submitted to this email [tenders.scm1@airports.co.za](mailto:tenders.scm1@airports.co.za)

Clarifications by potential respondents may be submitted to ACSA until 29 September 2021 at 16h00 (CAT).

Query Responses will be posted on National Treasury and ACSA websites.

### 4.3. RFI Closing Date and Time

The RFI closing time and date is: **15 October 2021 at 16h00 (CAT)**.

Responses should be submitted via e-mail ONLY to [tenders.scm1@airports.co.za](mailto:tenders.scm1@airports.co.za).

No late submissions will be considered.

Respondents are therefore advised to submit their responses on time.

#### 4.4. RFI Document

The RFI tender document will be published on the National Treasury Website and ACSA Website as per the National Treasury Regulations and SCM Policies and Procedures.

- National Treasury ([www.etenders.gov.za](http://www.etenders.gov.za))
- ACSA ([www.airports.co.za](http://www.airports.co.za)) - <https://www.airports.co.za/business/tender-bulletin/current-and-future-tenders>

#### 4.5. RFI Process Timelines

Procurement Activities	Date
RFI Advertised	15 September 2021
RFI Last Date for Questions	29 September 2021 at 16h00
RFI Closing Date and Time	15 October 2021 at 16h00

#### 4.6. Structure of The Response Document

Respondents should ensure that the document is structured in a logical manner giving clarity on the sections in the scope of works (**Section 3**).

#### 4.7. General Information

ACSA reserves the right to request any respondent to provide a presentation on their gas supply proposal. Respondents are required to respond to any queries that ACSA may have in terms of the respondent's document within 48 hours of receipt.

## **5 TERMS AND CONDITIONS**

The following terms and conditions are applicable to this RFI process.

- 5.1. Costs are estimates for budget purposes only. There is no commitment on the part of either the vendor or ACSA; or any obligation by ACSA to the vendor. The information provided must be presented in a format that corresponds to references sections outlined within this RFI. This will allow ACSA to formulate a budget based on a comparison and extraction of information from all respondents.
- 5.2. All responses will be kept confidential and will not be disclosed to the public.
- 5.3. Any irregularities or lack of clarity in the RFI should be brought to ACSA's attention as soon as possible so that corrective addenda may be furnished to prospective respondents.
- 5.4. Alterations, modifications, or variations to a respondent's submission may not be considered unless authorized by the RFI or by addendum or amendment.
- 5.5. Submissions may be withdrawn by written notice received prior to RFI closure.
- 5.6. ACSA reserves the right to end the RFI process by timeously notification to potential Respondents.