



Headquarters at Plot 15 Yusuf Lule Road, P.O Box 36316, Kampala, Uganda

TERMS OF REFERENCE FOR THE EXPRESSION OF INTEREST (EOI) FOR A JOINT VENTURE PARTNER FOR THE DEVELOPMENT AND MANAGEMENT OF KAMPALA STORAGE TERMINAL (KST)

INTRODUCTION

The Government of Uganda through the Ministry of Energy and Mineral Development (MEMD) acquired 299 acres of land close to Kampala city for development of Refined Products Storage Terminal known as Kampala Storage Terminal (KST).

A master Plan for the development of this terminal has been prepared by Government. The Master Plan provides for the optimum location of all the envisaged facilities and services.

The implementation of the Master Plan, development of the storage terminal as well as its management have been vested with the Uganda National Oil Company Limited (UNOC). UNOC is currently undertaking ESIA for the project.

In line with our mission “To drive sustainable growth of the Oil & Gas sector through strategic partnerships and championing national participation”, UNOC now wishes to partner with reputable firm(s), in the development and management of KST and intends to partner with one or more of the firms selected.

PROJECT DESCRIPTION

This terminal will be developed in phases starting with a total of 60 million litres storage capacity, with the subsequent expansion of up to 320 million litres being driven by market demand. When complete, the facility will house tank farms and associated facilities for storage and handling of petroleum products including, Automotive Gas Oil (AGO) - Diesel, Premium Motor Spirit (PMS), Aviation Fuel (JET A-1), Liquefied Petroleum Gas (LPG), Heavy fuel oil and lubricants.

Briefly the facility will;

- a. Act as a strategic storage facility for holding part of national strategic reserves and at the same time a commercial facility holding fuel on commercial basis for distribution within central region and, transit to south western, western and northern region of Uganda.
- b. Serve as a receiving terminal for import products through Kenya and Tanzania and transmission of the same to South-Western Uganda, Rwanda and Eastern DRC.
- c. In addition, Serve as a receiving terminal for planned refined products pipelines from Hoima refinery-Buloba, Eldoret(Kenya)-Buloba, and Buloba to Kigali (Rwanda).

The facility will also be equipped for possible blending of petroleum fuels with ethanol and biodiesel.

PURPOSE OF THE EOI

The purpose of this EOI is to identify a shortlist of firms and/or consortia, collectively referred to as 'Strategic Partner Consortium (SPC)' in this EOI document, that have the financial, technical and managerial capacity to develop and operate KST in partnership with UNOC. The Shortlisted SPCs will subsequently be requested to submit detailed proposals, from which the most competitive proposal will be selected.

The successful Strategic Partner Consortium (SPC) will be required to deliver the key outcomes below:

- i) Structure, arrange and raise 100% of the financing for KST. The SPC will be expected to achieve FID within the timeframe to be specified in the Request for Proposal (RFP) to be issued to shortlisted SPC(s).
- ii) Spearhead the development of KST including all pre-construction and construction activities.
- iii) Spearhead the management and operation of KST upon commencement of operation. The successful SPC will transfer management and operatorship to The National Pipeline Company (U)Ltd, a wholly owned subsidiary of UNOC, within a timeframe to be specified in the RFP.

Note: UNOC is in the process of contracting a Transaction Advisor to support the process of securing the SPC for KST. UNOC and the Transaction Advisor reserve the right to review the requirements herein at RFP stage.

1. ROLE OF THE PARTIES IN THE JV

The JV upon formation will: -

- i) Carry out technical and commercial studies, including but not limited to detailed technical Investigations, financial assessments, Market analysis etc.
- ii) Prepare Front End Engineering Design (FEED) aimed at defining the technical details of the project and establishing the estimated capital requirements.
- iii) Identify and source for the project's financing.
- iv) Execute Engineering, Procurement and Construction (EPC).
- v) Manage and operate the facility profitably to pay for investment capital, dividends to the partners/shareholders and grow operational strength/market share.

In the Joint Venture (JV), UNOC will:

- i) Provide some project assets such as land.
- ii) Provide leadership on project stakeholder engagement.
- iii) Secure GOU approvals and pre-investment in some of the enabling infrastructure.
- iv) Contribute its equity stake as the JV partnership will determine.
- v) Provide National Content leadership.

The Strategic Partner Consortium will:

- i) Provide technical expertise in the development, management and operation of Storage terminal.
- ii) Identify and source for financing the CAPEX and OPEX of the project based on the financing/economic models that shall be agreed with UNOC.
- iii) Make direct Investments into the project assets and supporting infrastructure.
- iv) Participate in sourcing for competitive supply of petroleum products and deliver the same to markets at a profit.
- v) Participate in a well-structured management to operate and manage the facility development and operations.

QUALITIES OF THE REQUIRED STRATEGIC PARTNER(S) CONSORTIUM

UNOC is seeking to find a strategic partner for the development, operation and management of the KST who has the following qualities:

- (i) Committed to the partnership for a sustainable period;
- (ii) Have a high level of integrity and reputation in conduct of business;
- (iii) Committed to bringing specialized knowledge, skills, leadership, the ability or experiences from previous complex /similar like projects;
- (iv) Have a substantially shared vision and outlook as UNOC;
- (v) Proven technical and financial capacity;
- (vi) Ability to raise financing for the project;
- (vii) Proven track record of development and management of terminals of similar nature to KST;
- (viii) Committed to national content as well as knowledge transfer.

Partnership with a local company shall be an added advantage

In the event of a consortium, the SPC shall consist of at least the following:

Lead Member

Where the Strategic Partner Consortium (SPC) consists of more than one Company, it will appoint a Lead Member who will formally represent the SPC and shall bind the SPC Members through the Authorized Representative. The Lead Member shall hold the largest share of participating interest in the Consortium.

Finance Member

The SPC shall consist of a Finance member, who will be a Commercial Bank, Pension Fund, Investment Fund, Other Fund, or other entity with the necessary resources to spearhead the structuring, arranging and raising of financing for KST.

Trading and Marketing Member

The SPC shall also include a firm with a proven track record of trading and marketing petroleum products (not less than 100,000m³ per month) in Africa. The Trading & Marketing member shall have proven experience in conducting business with Government entities.

Ugandan Entity

The SPC shall include a Ugandan-owned firm with a proven track record in logistics, trading, construction or other related services.

Authorized Representatives

Each bidding SPC will designate a duly Authorized Representative to act as the principal point of contact with UNOC in respect to this EOI and subsequent processes.

Minimum Requirements

The Strategic Partner shall be evaluated on the following qualities:

a) Technical Qualities

- i) Proven track record in development and operation of major petroleum product storage terminals and related facilities.
- ii) Proven track record of trading, logistics and marketing petroleum products (not less than 100,000m³ turnover per month) in Africa.
- iii) Demonstrated project management and implementation capabilities and resources.
- iv) Proven operations management capabilities and resources.

b) Commercial Qualities

- v) Demonstrated track record in arranging and/or raising financing for similar projects.
- vi) Proven track record in trading and marketing petroleum product volumes not less than 100,000m³ per month in Africa.
- vii) A description of the structure of the SPC, including the roles of all SPC members.
- viii) A description of the proposed revenue structure for the KST project.
- ix) A description of the proposed risk and financing structure for the KST project.

c) Financial Qualities

- i) Demonstrated financial asset base consistent with Project magnitude.
- ii) Audited Financial Statements including income statements, balance sheets, cash flows, for the last five years; of the Technical members of the consortium.

d) Quality, Health, Safety, Security, Social & Environment Qualities

- i) Robust internal QHSE standards.
- ii) Demonstrated track record in complying with international HSSSE standards in development and operation of major petroleum product storage terminals.

- iii) Proven track record in complying with international HSSSE standards in trading and marketing petroleum products (not less than 100,000m³ per month) in Africa.

The above qualities shall be demonstrated by submission of any relevant documentation that supports the track record, and evidence will be provided including the name, telephone and email address of the contact persons. For example, experience in the development and operation of major petroleum product storage terminals and related facilities shall be supported with a demonstration of such experience in the last ten (10) years. This should include but not limited to;

- i) Name and location of the project;
- ii) Name, telephone and email address of the contact persons;
- iii) Details of the project including ownership and management structure; holding capacities, logistics and supply, and stocks turnover;
- iv) Key technical personnel
- v) The company's national content and knowledge transfer policy;

Bidding firms shall also include the following administrative criteria in their submission:

e) Administrative Criteria

- i) Certificate of Incorporation for each member of the SPC.
- ii) Memorandum of Understanding, Joint Venture Agreement, or another document establishing the SPC.
- iii) Authorized Representative(s)
 - a. Name
 - b. Title
 - c. Telephone contacts
 - d. Email address of the individual (s)

1.2 Adding a new firm to the consortium

The SPC must satisfy the required minimum qualities at this EOI stage. However, under special circumstances, the SPC may be allowed to add new Members to its constitution provided that:

- i) Any additional Member strengthens the SPC's ability to undertake the Project;
- ii) The Lead Member of any SPC is not replaced.
- iii) The proposal to replace a member, and the member are approved by the UNOC Project Management Team (PMT).

Changes in the Consortium

All other changes to the SPC must be approved by the UNOC PMT.

CORRESPONDENCES / INQUIRIES

- i) All bids shall be submitted to the Procurement and disposal unit of the Uganda National Oil Company on the address below;
The Head- Procurement and Logistics
Uganda National Oil Company,
Plot 15, Yusuf Lule Road – Nakasero.
P.O Box 36316-Kamplala – Uganda
Email: info.unoc@unoc.co.ug
- ii) Any inquiries concerning this request for EOI shall be submitted to the Procurement and Disposal Unit of the Uganda National Oil Company.
- iii) All correspondences to UNOC shall be in writing and signed by the authorized representative. Correspondences may be sent by email; however, such correspondence shall be regarded as advance information to be followed by the signed **Original** copies.
- iv) The EOI can be downloaded from our website www.unoc.co.ug/tenders/

8 Submission of EOI

- Potential Providers shall submit two sets of documents (one ORIGINAL and TWO copies) in a sealed envelope clearly marked “*Expression of Interest for a Joint Venture Partner for the Development and Management of Kampala Storage Terminal (KST)*” by **Tuesday , 9th April 2019 at 10.00am EAST African Time** addressed to

**The Head Procurement and Logistics,
Uganda National Oil Company Limited (UNOC)
Plot 15 Yusuf Lule Road
P.O. Box 36316,
Kampala**

- a) In the event of any discrepancy between the ‘**ORIGINAL**’ and the **COPY**, the original shall prevail.
- b) The potential Providers should clearly mark their envelopes with their names and contact details.
- c) The sealed envelope(s) should be delivered at the address above and clearly marked ‘**EXPRESSION OF INTEREST (EOI) FOR A JOINT VENTURE PARTNER FOR THE DEVELOPMENT AND MANAGEMENT OF KAMPALA STORAGE TERMINAL (KST)**’

- d) Providers who may wish to courier their EOI should allow for sufficient time to ensure timely receipt of their EOI.
- e) EOI sent by email or fax **SHALL NOT** be considered for evaluation.
- f) Any submission made after the close of submission date shall be rejected.
- g) Uganda National Oil Company Limited reserves the right to accept or reject any submission and is not bound, committed nor obliged to shortlist any provider who has expressed interest.

9. SCHEDULE OF EVENTS

s/no.	Activity	Date
1.	Publication of the EOI	Tuesday 26 th February 2019
2.	Deadline for submission of written inquiries	Tuesday 9 th April 2019
3.	Deadline for responding to inquiries	Tuesday 2 nd April 2019
4.	Bid closing	Tuesday 9 th April 2019 at 10:00am
5.	EOI opening	Tuesday 9 th April 2019 at 10:30am
6.	Communication to the companies / consortia	Friday 26 th April 2019

Chief Executive Officer

**CHIEF EXECUTIVE OFFICER
UGANDA NATIONAL OIL COMPANY
P.O.BOX 36316, KAMPALA
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