

## SCOPE OF WORK

### **PART A: INBOUND CLEARING AND FORWARDING SERVICES (for Hydrocarbons only) FOR PetroSA**

1. Scope of services
  - 1.1 General description - IMPORTS / RECEIPT OF MATERIALS
    - 1.1.1. Supplier shall provide a suitable qualified and dedicated logistics task force with all attendant facilities, equipment, procedures, and controls necessary to procure total international and domestic surface and air transport, handling, and storage management services, together with all relevant allied services for PetroSA.

***Supplier to be conversant with Hazchem regulations pertaining to road, sea, and air freight from the country of origin, as well as local legislation pertaining to the transport of hazardous chemicals.***
    - 1.1.2 PetroSA shall provide Supplier with copies of materials purchase orders as they are placed whereupon Supplier shall assume total responsibility for providing a fully documented, dedicated, efficient and economical operation, centered in Cape Town, for the timeous handling and storage of PetroSA materials. This shall include materials to be imported for delivery to the site in Mossel Bay.
    - 1.1.3 Supplier shall advise the most economical logistics option for all shipments cleared.
    - 1.1.4 The Supplier must have a global freight forwarding footprint.
  - 1.2 Detailed scope of services - IMPORTS / RECEIPT OF MATERIALS

This shall include, though not necessarily be limited to, the following:

    - 1.2.1 Providing a comprehensive freight forwarding, expediting, and clearing service in South Africa, and in and from all other countries of supply around the world for the transportation of containerized, break-bulk, fragile, and abnormal loads, ex-works (or such other point as may be designated by PetroSA from time to time) to the designated point of delivery in South Africa, at all times liaising closely with PetroSA.
    - 1.2.2 The preparation and application for negotiated sea and air freight rates and Agreements of Carriage (Supplier shall make use of the facilities created by PetroSA in terms of the Agreement of Carriage entered into by PetroSA).

- 1.2.3 Liaison with Customs/PetroSA on the management of staged consignments and obtaining specific import permits (where necessary), including the application of all permits required including rebate and 460.23 permits.
- 1.2.4 The preparation of comparative sea and air freight cost estimates, and delivery schedules.
- 1.2.5 Advice on S.A. Industrial Relations regulations and labour employed for the freighting and handling operation (e.g. stevedoring) including where necessary acting as ships/charterers agents.
- 1.2.6 The identification of abnormally large and/or heavy items and the undertaking of route and site surveys and feasibility studies relevant to their movement. The making of all suitable handling, transport and permit arrangements in advance including any route clearance work which may be required. (In respect of this, Supplier shall use every reasonable means to prevent any highways or bridges from being subjected to extraordinary traffic arranged by Supplier or his sub-contractors and in particular shall ensure selection of routes and use of vehicles and restriction and distribution of loads such that extraordinary traffic shall be limited as far as reasonably possible and that no unnecessary damage or injury may be occasioned to such highways and bridges).
- 1.2.7 Providing a worldwide network with an integrated IT system to facilitate foreign clearing and forwarding wherever necessary and liaising closely with sub-contracting suppliers and/or sub-contracting overseas forwarders, including visits, if necessary, to obtain advance information of readiness of cargo and survey loading/handling/shipping requirements to ensure availability of general or specialist transport, to compile and process all necessary documentation and pre-book cargo space. Cargo space may be booked by the Supplier or their overseas sub-contractor whichever would be most expedient in terms of routing and security, including expediting of cargoes throughout the world.
- 1.2.8 Ensuring the correct preparation and distribution of shipping (air/road/rail freight) documents (including bank guarantees if required in accordance with any special requirements and the verification of correctness of all freight and other charges, inclusive of presenting a quality system which is audited regularly.
- 1.2.9 Inspecting cargo for damage and arranging for insurance surveys and repairs to packaging as required.
- 1.2.10 Ensuring prompt clearance of cargo through foreign and S.A. Customs and Harbour procedures utilising a comprehensive Supplier Clearing system, which shall be readily available at all, ports, and airports where

the S.A. Customs department has a presence. This service shall be capable of providing Unit Costing and Computerised worksheets.

- 1.2.11 Arranging and managing all necessary transport, mechanical handling equipment, stevedoring and general labour for the safe movement and handling of materials, including status reports reflecting cargo position at all times.
- 1.2.12 Providing, managing, and coordinating open storage, warehousing, and air-conditioned and dust-free storage facilities exclusive to and on behalf of PetroSA, at ports of entry or other locations, throughout the world such as fabrications sites, as required, inclusive of attendant labour and equipment.
- 1.2.13 Providing computerised document and cargo tracking and warehousing stock controls for imported materials.
- 1.2.14 Providing a computer terminal and printing facilities in PetroSA offices with direct access to the Supplier's data bank to allow direct monitoring if required.
- 1.2.15 The preparations of cargo forwarding programmes in accordance with project programme requirements and the monitoring of all material shipments to the job site including providing detailed and regular cargo status reports.
- 1.2.16 Providing a total communication system relevant to all cargo movement or storage, including but not limited to IT, telephone, telex, telefax, Beltel links and radio where applicable.
- 1.2.17 Providing an experienced and adequately staffed logistics task force to assist PetroSA and its suppliers in all activities.
- 1.2.18 Appointing dedicated personnel who shall liaise closely with Transnet in respect of local rail movements.
- 1.2.19 Consolidating cargoes worldwide whenever possible for most effective transportation and economies of scale provided this does not conflict with site need dates.
- 1.2.20 On advice from PetroSA ensuring materials are only collected after final inspection has been completed and the final authority to freight has been issued in accordance with PetroSA procedures.
- 1.2.21 Timeous computer-directed distribution of all documentation, reports, etc.
- 1.2.22 Ensuring all materials are correctly surveyed and tallied.

- 1.2.23 Providing both international and domestic fast airfreight, documents/small parcels, and distribution service, on a national and international basis.
- 1.2.24 Whenever required by PetroSA, the Supplier shall implement special cargo documentation and routing which emphasizes trouble-free transmittal - i.e. Supplier shall be capable of providing suitably qualified personnel and infrastructure in overseas countries of cargo origin, predetermined transit locations and at all major South African locations of supply to assist PetroSA with expediting and safe delivery of materials to overseas port. This will involve arranging the most suitable cargo packing and marking with particular emphasis on:
- Country of Origin;
  - Special Routing Requirements;
  - Use of Containers and Cargo Consolidation Benefits; and
  - Safe delivery to the Various Fabrication Sites or Stores
- 1.2.25 Supplier shall on request of PetroSA, meet all reasonable charges, overseas and local, to ensure the smooth and timeous transmission of Materials from the source to the designated final destination. Supplier shall not withhold any such payments pending receipt of invoiced monies from PetroSA.
- 1.2.26 Supplier shall work in accordance with the comprehensive and detailed operating manual for the Services, covering the movement of imported cargo to be delivered to the job site.
- 1.2.27 Supplier shall ensure the safe and efficient movement of cargoes bearing in mind the need to ensure the integrity of the proposed routing to avoid any detriment to the arrival in South Africa of PetroSA's materials.
- 1.2.28 Concluding Agreements of Carriage on behalf of PetroSA, as and when required by PetroSA, at rates approved by PetroSA in advance.
- 1.2.29 Ensure that where any container is used to consolidate materials, the number of packages, purchase order numbers and the gross weight of each (in kilograms) are stated on the face of the relevant Bill of Lading/Waybill/Manifest together with the gross weight (in kilograms) of each such package or unit.
- 1.2.30 Ensure that a proper description of each package or unit is set out on the face of the relevant Bill of Lading/Waybill/manifest together with the gross weight (in kilograms) of each such package or unit.
- 1.2.31 Supplier shall make arrangements with Customs and Excise to facilitate the payment by PetroSA of VAT on imports once per month and produce a detailed VAT statement of the total amount due 3 days prior to payment to Customs and Excise.

- 1.2.32 Supplier shall provide dedicated and experienced personnel capable of handling wet and dry bulk commodities in transshipment, clearance coastwise or export status in all ports worldwide as required by PetroSA.
- 1.2.33 Ensure qualified personnel are able to calculate formulae for wet bulk discharge figures to enable correct landing/discharge duties / VAT and sundry costs to be calculated.
- 1.2.34 Provide experienced personnel able to calculate formulae of the oil and bulk industry in terms of Customs Oil Offices requirements, port requirements and discharge applications at all ports including East London, Saldanha, Cape Town, Durban, Mossel Bay and Port Elizabeth. This to include providing provisional documentation and acquittal procedures within periods as requested by Authorities.
- 1.2.35 Assistance in acquiring all Itac permits inclusive monitoring of issues by Authorities in Tshwane (Pretoria).
- 1.2.36 It is preferred that the supplier has a deferment account with SARS for the following:
- Customs VAT on imported Vatable supplies into the Mossel Bay refinery.
  - The customs duty on imported fuel levy products into the Mosselbay refinery.
  - The customs duty(duty at source) on imported fuel levy products into non-bonded storage tanks in Cape Town.
2. Additional requirements
- 2.1 In addition to the Scope of Services detailed above, the Supplier may also, subject to a specific written request from PetroSA, be required to provide the following additional Services.
- 2.2 Supplier shall, if so requested, provide suitable qualified personnel and infrastructure in overseas countries of cargo origin, predetermined transit locations and at all major South African locations of supply to assist PetroSA with procurement, inspection, expediting and safe delivery of materials to local sites.
- 2.3 Co-ordination for forwarding function in line with local site priorities;
- 2.4 Full documentary services including Bills of Lading, Airway Bills, Certificates of Origin, Insurance Certificates, Commercial Invoices and Legalization (where required);
- 2.5 Movement of material to arrival port, or clearance or central stores and through delivery to site (as required).

2.6 The cost of providing the services in clause 1.3 will be reimbursed to the Supplier at rates to be agreed upon at the time of request.

### 3. General

3.1 Supplier shall, at the end of each month, produce a detailed statement together with copy invoices covering the Services provided and all reimbursable costs e.g. transport, shipping, airfreight, etc.

3.2 Supplier shall, at all times, maintain maximum possible confidentiality.

3.3 Supplier shall provide PetroSA with monthly reports differentiating sea from airfreighted parcels. Reporting should further include a summary of activities undertaken by PetroSA as well as any updates on customs charges.

### 4. Quality Assurance

The Supplier shall ensure that the Services (including all workmanship) and all products, materials, documentation, tools and equipment used or required for the rendering of the Services, comply with PetroSA's Quality Assurance and Certification Requirements Standard Document Ref. EP/SHE/PR/015.

## **PART B: SUPPLY OF CLEARING AND FORWARDING SERVICES FOR PetroSA EXPORTS of Hydrocarbons only**

### **1.1 General Description - EXPORT AND LOCAL SOUTH AFRICAN MOVEMENTS OF PRODUCTS**

1.1.1 Supplier shall provide a suitably qualified and experienced logistics task force with all attendant facilities, equipment, procedures and controls necessary to handle all documentary clearing and forwarding tasks on behalf of PetroSA. Specific experience is required with regard to the seamless handling and shipping of Oil-related and chemical products for exports and local South African destinations from the PetroSA refinery in Mossel Bay to various destinations worldwide or from any local destination.

The supplier must have the facilities to do electronic submissions to our local customs authorities.

Furthermore, a full detailed paper trail is required in the event of any audits.

1.1.2 PetroSA shall provide the Supplier with all the relevant orders of product movements and relevant product movement schedules, as and when they become known, whereupon the Supplier shall assume total responsibility for providing a fully documented, dedicated, efficient and economical service, centred in South Africa, with an office or representation in Mossel Bay. This will enable the timeous clearing and forwarding of all the products dictated by the Logistics Section(s).

1.1.3 Supplier's forwarders must be approved by PetroSA and have the Local and Overseas Infrastructure necessary to provide PetroSA with a complete Logistics solution.

1.1.4 Supplier's priced proposals, in accordance with the Scope of Work, shall ensure the most cost-effective and efficient movement of PetroSA products, and materials under PetroSA-issued movement instructions.

### **1.2 Detailed Scope Of Service - EXPORTS AND LOCAL SOUTH AFRICAN MOVEMENTS OF PRODUCT**

1.2.1. This shall include, though not necessarily be limited to the following:

- i. Providing a comprehensive documentary clearing and forwarding service for PetroSA export and local SA movements of liquid bulk products, at all times liaising closely with PetroSA.
- ii. Handling of/preparation of exportation documentation, including cross-border exportation of PetroSA product
  - i. Pre-clearing Customs Documentation
  - ii. Bills of Lading
  - iii. Certificates of Origin, Form A or Euro Certificates

- iv. F178
  - v. VOC Customs Documentation
  - vi. Cargo Dues Orders
  - vii. LPG Rail tankers Spoornet Customs documentation
- iii. The monitoring of clearing and forwarding specific issues related to the Contract of Affreightments and spot charters.
- iv. Liaison with Regulatory authorities and PetroSA on issues related to Clearing and Forwarding for the export and local South African requirements and free trade agreements. Monitoring of the status of the export permits.
- v. Liaison with the Port Authorities and the monitoring of changes in the rules and regulations and the port pricing structures.
- vi. Preparation, processing and distribution of documents to the relevant parties related to the following:
  - a. Invoices – commercial and clearing invoices.
  - b. Loading advice to all relevant parties, as and when required by PetroSA.
  - c. Bills of Lading as required by PetroSA.
  - d. Customs, excise and other necessary documents for the export of products
  - e. Certificates of origin and supporting documents to derive maximum benefit from the free trade agreements.
  - f. Clearing of over-the-fence sales, duty at source monitoring
  - g. Month-end excise account
  - h. Clearing of all liquid petroleum gas rail tankers for across-border traffic
  - i. Clearing of all product rail tank cars loaded at PetroSA Refinery
  - j. Statistics and reports on product movements as and when required by PetroSA.
  - k. Export cargo duties exchange control declarations.
  - l. Toxicity documents statement
  - m. No wood declaration
- vii. Maintain a database of all movements which shall be available for processing of information for PetroSA Supply and Logistic Management / International Chemical Sales decision-making.
- viii. Provide a total communication system relevant to all cargo movement and storage, including but not limited to telephone, telefax, e-mail, mobile telephone, internet and document tracking systems.
- ix. Supplier shall on request of PetroSA, meet all charges/disbursements, overseas and local, to ensure the smooth and timeous product movement for the load to discharge port. Supplier to provide a pro-forma invoice for expenses that will be incurred, to ensure that all invoices related to the product movement are met timeously and without delays.



- x. Supplier shall work in accordance with the comprehensive and detailed operating manual for the services and maintain standards in line with PetroSA, SABS and ISO9001 accreditation.

## 2.1 Additional requirements

- 2.1.2 In addition to the Scope of Services detailed above, the Supplier may also, subject to a specific written request from PetroSA, be required to provide the following additional Services.

Supplier shall, if so requested, provide suitable qualified personnel and infrastructure in overseas countries of cargo destination.

The following typical flow procedure may apply:

- i. Co-ordination of documentary clearing and forwarding functions in line with local customs and regulations;
  - ii. Full documentary services including Bills of Lading, Airway Bills, Certificates of Origin, Insurance Certificates, Commercial Invoices and Legalisation (where required);
- 2.1.3 The cost of providing the services in clause 1.3 above will be reimbursed to the Supplier at rates to be agreed at the time of request.

## 3.1 General

- 3.1.1 Supplier shall, at the end of each month, produce a detailed statement together with copy invoices covering the Services provided and all reimbursable costs.
- 3.1.2 Supplier shall, at all times, maintain maximum possible confidentiality.

