



## INVITATION TO PRE-QUALIFY FOR THE INVESTMENT OPPORTUNITY IN INDENI PETROLEUM REFINERY COMPANY LIMITED AS STRATEGIC EQUITY PARTNER

The Zambia Development Agency (ZDA), a statutory body that was established under the ZDA Act No. 11 of 2006, hereby invites prospective bidders to submit applications to Pre-Qualify for participation in the sale of majority stake in Indeni Petroleum Refinery Company Limited (Indeni) as a Strategic Equity Partner

Indeni is a company owned 100% by the Industrial Development Corporation (IDC) Limited. The IDC is wholly owned by the Government through the Minister of Finance pursuant to the Minister of Finance (Incorporation) Act Cap 349 of the Laws of Zambia. It is charged with the mandate to spearhead the Zambian Government's Industrialisation and commercial investments agenda aimed at developing Zambia through investment in key economic sectors that contribute to sustainable economic growth and job creation. The IDC is also mandated to hold State-owned enterprises incorporated under the Companies Act with a view to transform these entities towards commercial viability.

Participation in the sale of majority stake in Indeni will be implemented in two stages, namely:

1. **Pre-Qualification stage** to assess the applicants' suitability in terms of financial capacity, technical capacity and proven experience in the management of an oil refinery business; and
2. **Request for Proposal stage** at which the Pre-Qualified applicants will be requested to propose the turn-around strategies for Indeni Refinery to ensure its future viability by addressing, inter alia, investment to procure feedstock, investment to increase production capacity, lowering the pump price, increasing profitability, staff productivity, and innovative ways to collaborate with TAZAMA Pipeline to ensure congruence in synergies and investment to increase the capacity of the pipeline to match with the proposed increased processing capacity of Indeni.

### 1.0 STRUCTURE OF THE TRANSACTION WITH THE STRATEGIC EQUITY PARTNER

- i. Strategic Equity Partner will:
  - a. purchase a majority stake in Indeni;
  - b. be offered Management Rights in Indeni;
  - c. assume procurement of petroleum feedstock using its own working capital; and
  - d. invest to increase Indeni's fuel processing capacity and also to achieve the cleaner fuels objectives.

### 2.0 PRE-QUALIFICATION

To Pre-qualify, prospective bidders must meet the following criteria:

- i. **Financial capacity:** The bidder must have a minimum net worth of US\$ 500 Million;
- ii. **Technical capacity:** Demonstrable Oil upstream operations or oil refinery operations of at least 50,000 BPSD; and
- iii. **Experience:** The bidder must have proven experience in the management of an oil refinery business, marketing and distribution of petroleum products for not less than five (5) years.



### 3.0 PRE-QUALIFICATION DOCUMENTS

Pre-Qualification Documentation will be made available to prospective bidders on receipt, by the IDC, of a signed Non-Disclosure Agreement ("NDA"). The NDA is available on the IDC website (see contact section).

#### 3.1. Pre-qualification Documentation will include:

- A Pre-Qualification Application Form; and
- Supporting documents required to be submitted with the Pre-Qualification Application Form.

Applications may be submitted by **individual corporations** or **consortia**. Consortia must have a lead partner with no less than 50% of the equity in the consortium, which is capable of fulfilling the above criteria on its own.

### 4.0 SYNOPSIS ON INDENI

**INDENI** Petroleum Refinery Company Limited (Indeni) is a State-Owned Enterprise 100% owned by the Industrial Development Corporation (IDC), which in turn is owned by Government of the Republic of Zambia (GRZ), a holding Company and an investment arm of the Government. The company is based in Ndola and became operational in 1973.

#### 4.1. Core Business

Indeni Refinery is a 25,000 barrels per stream day (BPSD) refinery. The Refinery was designed and constructed by Snam Progetti and was commissioned in 1973. Its design was based on an annual throughput of 1.1 million MT per year which was based on Agha Jari crude oil with an annual plant availability of 330 stream days. However, due to a greatly reduced Heavy Fuel Oil market, it was necessary to increase the spiking of the Crude Oil thereby reducing the refinery throughput capability to approximately 850,000 MT/annum. Indeni's business is limited to crude oil (co-mingled) processing on behalf of GRZ at a pre-agreed processing fee per metric tonne.

### 5.0 SUBMISSION

The Pre-Qualification Application Form and supporting documents must be submitted in hard copy and deposited in the Tender Box situated at the address given below by **no later than 15:00 hours** Zambian time, on **Friday, 09<sup>th</sup> March 2018**. The Bids should be submitted as hard copy and accompanied by a soft copy on CD or flash. All submissions must be in the English language. However, **No electronic submissions will be accepted.**

**Proposals received after the deadline WILL NOT be considered.**

### 6.0 PRE-QUALIFIED APPLICANTS

All Pre-Qualified applicants shortlisted for **stage two** of the process will be issued with Request for Proposal (RFP) documents which will include, inter alia, a detailed information pack and guidelines for the bidding process. **Note that prior to the submission of their proposals, the Pre-Qualified bidders will be required to pay a non-refundable administration fee of US\$ 50,000 (Fifty thousand United States Dollars).**

### 7.0 CONTACT ADDRESS

For further information, or to obtain an NDA, please send your enquiries to the email below: [indeni@idc.co.zm](mailto:indeni@idc.co.zm)

The Pre-Qualification Application Form and supporting documents shall be submitted to the address below, in hard copy together with a soft copy on CD or flash:

**The Director General**  
**Zambia Development Agency**  
Privatisation House, Nasser Road  
Lusaka, Zambia

**E:** [indeni@idc.co.zm](mailto:indeni@idc.co.zm)

**IDC Website:** [www.idc.co.zm](http://www.idc.co.zm)

**ZDA Website:** [www.zda.org.zm](http://www.zda.org.zm)

**IDC Tel:** +260 211843567/8 and +260967773007

**ZDA Tel:** +260 211220177 and +260 211222858