



Oil & Gas Regulatory Authority Government of Pakistan

EXPRESSION OF INTEREST (EOI) PRE-QUALIFICATION OF LNG CONSULTANT FIRMS

LNG consultants were shortlisted by OGRA earlier in the year 2021 for a term of three years which shall expire in January 2024. For short listing of the LNG consultants for another term of three years, the Oil and Gas Regulatory Authority (OGRA) is initiating the process for experienced and competent LNG consultants as per the provisions of LNG Rules, 2007 and LNG Policy, 2011 (as amended from time to time).

2. The key services required from the consultant are defined in the ToR's available on OGRA website, however some are as follows:

- i. To determine whether an application submitted by the LNG project developer fulfils the requirement of LNG Rules, 2007 and LNG Policy, 2011;
- ii. Review the technical, administrative, financial and commercial capabilities of the project developer in relation to the regulated activities;
- iii. To confirm that the project satisfies criteria for design, construction, installation and operation. This includes all LNG project structures including LNG storage, re-gasification, virtual pipeline projects etc;
- iv. Review technology to be used so that it is suitable, tested and proven internationally for design, construction and operation of LNG facilities;
- v. To determine whether the project has been constructed and successfully commissioned in accordance with the required standards and project implementation plan;
- vi. To verify that the LNG project complies with the internationally recognized and proven standards and guidelines and those stipulated in the Appendix-I of the LNG Policy, 2011;
- vii. To determine that the licensee is complying with the requirements of the OGRA Ordinance 2002, LNG Rules 2007, relevant regulations, standards prescribed by the Authority, terms and conditions of the licence;
- viii. To carry out full review and audit of the LNG Projects on behalf of OGRA;
- ix. To carry out periodic inspections of the LNG facilities;
- x. Review of various agreements such as Gas Sales and Purchase Agreement (GSPA) and access agreements with LNG Terminal Owner and/or Operator etc;
- xi. To advise the Authority on the issues related to the Third Party Access to natural gas pipeline network and Third Party Access to LNG terminals;
- xii. Any other LNG/RLNG related assignment given by the Authority.

3. OGRA invites reputable consultant firms in the field of LNG with at least 10 years experience of designing, supervision, construction, operation and/or inspection of LNG facilities including storage and re-gasification terminals and virtual pipeline projects. Interested firms must provide information indicating that they are qualified to perform the services (brochures including organizational structure, list of clients, annual reports, description of similar assignments, experience in similar conditions and with similar agencies, projects undertaken as lead firm, availability of appropriate skills among permanent/ full time staff in the firm, etc.). Consultant firm may form joint ventures to enhance their qualifications.

4. The EOI is for short listing only. Interested firms may obtain further information such as Terms of Reference and Evaluation Criteria etc. from the OGRA & PPRA websites. (www.ogra.org.pk) (www.ppra.org.pk)

5. OGRA reserves the right to accept any or reject all offers keeping in view the provisions of Public Procurement Rules, 2004.

6. Expression of interest must be delivered to the address below in sealed envelope by **15 November 2023** by **1100** hours which shall be opened on the same date at **1130 hours**.

7. The interested parties including the companies/ consultant firms earlier shortlisted by OGRA may also apply as per the requisite criteria.

Executive Director (LNG)

Oil and Gas Regulatory Authority, 54-B, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan

Ph: +92-51-9244376, Email: iakhtar@ogra.org.pk

Public Service Message: گیس کیچ جان لیواحاد ثات کا سبب بن سکتی ہےا حتیاطی تد ابیریقینی بنا کیں اور حاد ثات سے بچیں

<u>25x4</u>



25x4

EXPRESSION OF INTEREST (EOI)

PRE-QUALIFICATION OF LNG CONSULTANT FIRMS

LNG consultants were shortlisted by OGRA earlier in the year 2021 for a term of three years which shall expire in January 2024. For short listing of the LNG consultants for another term of three years, the Oil and Gas Regulatory Authority (OGRA) is initiating the process for experienced and competent LNG consultants as per the provisions of LNG Rules, 2007 and LNG Policy, 2011(as amended from time to time).

2. The key services required from the consultant are defined in the ToR's available on OGRA website, however some are as follows:

- i. To determine whether an application submitted by the LNG project developer fulfils the requirement of LNG Rules, 2007 and LNG Policy, 2011;
- ii. Review the technical, administrative, financial and commercial capabilities of the project developer in relation to the regulated activities;
- iii. To confirm that the project satisfies criteria for design, construction, installation and operation. This includes all LNG project structures including LNG storage, re-gasification, virtual pipeline projects etc;
- iv. Review technology to be used so that it is suitable, tested and proven internationally for design, construction and operation of LNG facilities;
- v. To determine whether the project has been constructed and successfully commissioned in accordance with the required standards and project implementation plan;
- vi. To verify that the LNG project complies with the internationally recognized and proven standards and guidelines and those stipulated in the Appendix-I of the LNG Policy, 2011;
- vii. To determine that the licensee is complying with the requirements of the OGRA Ordinance 2002, LNG Rules 2007, relevant regulations, standards prescribed by the Authority, terms and conditions of the licence;
- viii. To carry out full review and audit of the LNG Projects on behalf of OGRA;
- ix. To carry out periodic inspections of the LNG facilities;
- x. Review of various agreements such as Gas Sales and Purchase Agreement (GSPA) and access agreements with LNG Terminal Owner and/or Operator etc;
- xi. To advise the Authority on the issues related to the Third Party Access to natural gas pipeline network and Third Party Access to LNG terminals;
- xii. Any other LNG/RLNG related assignment given by the Authority.

3. OGRA invites reputable consultant firms in the field of LNG with at least 10 years experience of designing, supervision, construction, operation and/or inspection of LNG facilities including storage and re-gasification terminals and virtual pipeline projects. Interested firms must provide information indicating that they are qualified to perform the services (brochures including organizational structure, list of clients, annual reports, description of similar assignments, experience in similar conditions and with similar agencies, projects undertaken as lead firm, availability of appropriate skills among permanent/ full time staff in the firm, etc.). Consultant firm may form joint ventures to enhance their qualifications.

4. The EOI is for short listing only. Interested firms may obtain further information such as Terms of Reference and Evaluation Criteria etc. from the OGRA & PPRA websites. (www.ogra.org.pk) (www.ppra.org.pk)

5. OGRA reserves the right to accept any or reject all offers keeping in view the provisions of Public Procurement Rules, 2004.

6. Expression of interest must be delivered to the address below in sealed envelope by <u>15th November</u>, 2023 by 1100 <u>hours</u> which shall be opened on the same date at 1130 hours.

7. The interested parties including the companies/ consultant firms earlier shortlisted by OGRA may also apply as per the requisite criteria.

Executive Director (LNG)

Oil and Gas Regulatory Authority, 54-B, Fazal-e-Haq Road, Blue Area,

Islamabad, Pakistan +92-51-9244376 Email: iakhtar@ogra.org.pk

TERMS OF REFERENCE (ToRs)

PRE-QUALIFICATION OF LNG CONSULTANT FIRMS

Oil and Gas Regulatory Authority (OGRA) was established pursuant to the OGRA Ordinance 2002. OGRA is responsible for regulating the mid-stream and down-stream oil and gas sector in the country.

Due to declining Natural gas reserves in Pakistan, LNG is presently being imported through two operational LNG receiving terminals at Port Qasim, Karachi operated by private companies. The regasification capacity has been hired by the GoP and the LNG is imported through Government owned companies i.e. PSO and PLL.

In addition to the above, two more LNG import / re-gasification terminals are proceeding for an FID which shall be operated as integrated merchant terminals. The re-gasified LNG shall be transported through the natural gas pipeline network in the country to the end consumers.

To meet the growing appetite of natural gas and to reduce the supply demand gap, new project structure are also emerging and a number of parties have shown their interest in Virtual Pipeline Projects. The virtual pipeline concept includes LNG storage, LNG transportation, LNG distribution, LNG marketing, LNG filling, LNG re-gasification and are licensed activities as per OGRA LNG Rules 2007 (Schedule-I). Provisional licenses under LNG Rules 2007 have been granted by OGRA to a number of companies to fulfil all the statutory requirements and the next stage of licensing i.e. construction and operation shall be granted after the due process as defined in the LNG Rules 2007. The project structure of LNG Virtual pipelines may vary significantly from one another. It could be a land based or offshore LNG filling facility with fixed or moveable filling platform. The project developer may import filled ISO containers to transport them to the end user. The consultants have to examine the individual project structure, construction, commissioning etc as per the following ToR's.

Storage, re-gasification and transportation of LNG represent different challenges when compared to traditional oil-based liquid fuels, both as a cryogenic liquid and as a flammable gas. As a liquid, these challenges are primarily associated with the cryogenic hazards of a liquid stored at -162 °C. They include brittle fracturing of unprotected structures, cryogenic burns, pressure increases caused by rapid transition to gas and possible asphyxiation hazards if collected in confined spaces.

The fire and explosion hazards presented by LNG are primarily a result of these factors:

- A lower flashpoint
- *A higher auto-ignition temperature*
- A flammable range of between a lower explosive limit (LEL) of 5 % and an upper explosive limit (UEL) of 15 % when mixed with air.
- Lower ignition energy. For natural gas/air mixtures, this is 0.25 mJ, which is lower than most other hydrocarbons.

Due to the above-mentioned challenges and safety hazards, the construction, commissioning and operations of LNG projects is required to be thoroughly scrutinized by the consultant to ensure that the same meets the best international practices and to ensure that the same is in compliance with the relevant international standards.

Regulated Activities:

As mentioned in Schedule-I of OGRA (LNG) Rules, 2007.

Generalized list of tasks to be carried out by the consultant:

The Consultant may have to perform the below mentioned tasks as and when assigned by the Authority:

- 1. To determine whether an application submitted by the LNG project developer fulfils the requirement of LNG Rules 2007 and LNG Policy 2011.
- 2. Review the technical, administrative, financial and commercial capabilities of the project developer in relation to the regulated activities.
- 3. To confirm that the project satisfies criteria for design, construction, installation and operation. This includes all LNG project structures including LNG storage, re-gasification, virtual pipeline projects etc.
- 4. Review technology to be used so that it is suitable, tested and proven internationally for design, construction and operation of LNG facilities.
- 5. To determine whether the project has been constructed and successfully commissioned in accordance with the required standards and project implementation plan.
- 6. To verify that the LNG project complies with the internationally recognized and proven standards and guidelines and those stipulated in the Appendix-I of the LNG Policy 2011.
- 7. To determine that the licensee is complying with the requirements of the OGRA Ordinance 2002, LNG Rules 2007, relevant regulations, standards prescribed by the Authority, terms and conditions of the licence.
- 8. The consultant shall keep a close liaison with the project developer during the construction / installation period of the project to confirm as to whether the LNG facilities have been constructed / installed in compliance with best international practices and as per the requisite standards.
- The consultant shall ensure that the studies and approvals required at the planning, pre-construction / operation stages, defined in the LNG Policy 2011 have been carried out and have been compiled with.
- 10. To confirm that the project developer has adequate insurance cover through a reliable insurance provider to mitigate the damages / loss of life and property throughout the LNG supply chain.
- 11. To confirm that all relevant studies related to Port, CIE, EPA and other relevant Authorities are in place and meet the required criteria.
- 12. To confirm that the manpower deployed at the LNG facilities are qualified to handle such processes and have relevant certification for the same.
- 13. To carry out full review and audit of the LNG Projects on behalf of OGRA.
- 14. Review of various agreements such as Gas Sales and Purchase Agreement (GSPA) and access agreements with LNG Terminal Owner and/or Operator etc.
- 15. To advise the Authority on the issues related to the Third Party Access to natural gas pipeline network and Third Party Access to LNG terminals.
- 16. To advise the Authority that the natural gas pipeline operator and LNG terminal operator etc. are complying with the Gas Pipeline Third Party Access Rules and Code, OGRA LNG Terminal and Storage Access Rules and Code (available on OGRA website). This may also include the issues of terminal capacity allocation, tariffs etc. which are a part of the said rules and codes.
- 17. To certify the viability of the sources of supply of LNG and the applicant's demonstrated access thereto.

- 18. To examine overall supply chain of the project and advice the Authority regarding shortcoming in the same.
- 19. To verify the project developer financial profile in terms of revenues, net income, net worth etc. keeping in view the financial obligations.
- 20. To advise that all applicable permits/approvals/NOC's from the relevant government authorities/ agencies as per requirements of LNG Rules 2007 and LNG Policy 2011 are in place and all the conditions of the same are fulfilled prior to commissioning and during operation of the facilities.
- 21. To verify that the project complies with the existing Pakistan Environmental Protection Act and the World Bank HSE guidelines.
- 22. To verify that the project developer is keeping complete and accurate record and data regarding the construction of LNG terminal and associated facilities.
- 23. To verify that the project developer has ensured that its LNG terminal is surrounded by safety zones, meets the industry standards set forth in safety codes issued by the NFPA.
- 24. To verify that the discrepancies in construction / installation of LNG terminal and associated facilities pointed out by the consultants have been removed by the Project developer.
- 25. To verify that the project developer is allocating appropriate resources for research and development to improve operational efficiency and safety aspect of its regulated activities and the training of its employees and other parties which are involved in the process.
- 26. To verify that the project complies at all times with the applicable laws of Pakistan.
- 27. The Authority may appoint the consultant to submit a report on the LNG related incidents/accidents if any, within 24 hrs and detailed report within 72 hrs containing information about the same giving its description, status of facility after the incident/accident, its cause / root cause analysis, action taken by the licensee after the incident, prevention measures taken, reasons, conclusions, required action to be taken along with the recommendations. The fee for such an activity shall be determined by the Authority in consultation with the consultants.
- 28. To carry out periodic inspections of the LNG facilities. The fee for such routine activities shall be decided by the Authority from time to time in consultation with the consultants.
- 29. Any other assignment in relation to LNG/ RLNG activities assigned by the Authority.

EVALUATION CRITERIA Pre-Qualification of LNG Consultant Firm

S/N	Description	Points
1.	General Experience	15
1.1	No. of years in consultancy / relevant business	5
1.2	General experience / area of expertise (Oil and gas sector)	5
1.3	Experience as a lead firm and financial strength as per latest audited accounts	5
2.	Specific and relevant experience, expertise, technical strength	50
2.1	Experience of LNG related assignments and LNG projects undertaken as a lead firm or as a joint venture	15
2.2	Methodology, detailed procedure for handling the LNG related assignments	10
2.3	Relevant work experience with similar agencies and in similar conditions	10
2.4	National and International relevant Accreditations/ Certifications of the firm	10
2.5	Possession of pertinent inspection equipment in case of emergency inspections	5
3.	Key Professionals/ Experts for LNG assignments	25
3.1	Number of qualified Technical Staff	5
3.2	Experience of professionals in LNG related works, audit, design, construction etc Relevant qualification of technical manpower and their accreditation with professional organizations such as PEC, API, ASME etc	20
4.	Organizational Structure and Professional Presence	10
4.1	Organizational Structure	5
4.2	Presence in any major city in Pakistan (Islamabad, Lahore, Karachi)	5
	TOTAL	100

Note: The minimum score required to pass is 70 points An affidavit is required to be submitted, stating that the firm has not been blacklisted locally/ internationally on any account and that no conflict of interest while performing tasks as per TOR's shall be ensured.