

# TANZANIA PETROLEUM DEVELOPMENT CORPORATION



## RE-ADVERTISED

**EOI NO. ISP-DRM-NRG/TZ/AfDB/CS02/QCBS/2018**

**FOR**

**CONSULTANCY SERVICES FOR STUDY AND REVIEW OF**

**MODEL PRODUCTION SHARING AGREEMENT (MPSA)**

**Expression of Interest**

**Date: 27<sup>th</sup> September 2021**

1. The Government of United Republic of Tanzania has received financing from the African Development Bank towards the cost of the Institutional Support Project for Domestic Resource Mobilization and Natural Resource Governance (ISP-DRM-NRG), and intends to apply part of the agreed amount for this loan to payments under the contract for Consultancy Services for Study and Review of Model Production Sharing Agreement (MPSA).
2. The main objectives of this assignment are;
  - (i) To study the existing legal and fiscal terms considering the global oil and gas industry;
  - (ii) To review the existing MPSA 2013;
  - (iii) To propose and develop fiscal and legal terms to meet the overall objective of attracting investments in the light of the global industry setting;
  - (iv) To propose and advise the Government on competitive MPSA terms;
  - (v) Review existing economic modelling; the Tanzania Upstream Economic Model; and
  - (vi) Develop and propose an economic modelling package which considers the proposed fiscal regime system.
3. The Tanzania Petroleum Development Corporation (TPDC) on behalf of the Petroleum Upstream Regulatory Authority (PURA) now invites eligible consulting firms to indicate their interest in providing services to undertake review and recommend on fiscal and legal terms in the MPSA which will guide licensing and

award of exploration blocks. The Consultant will be required to undertake the following specific tasks which include but not limited to:

**i. Review of relevant documents, information and studies**

The Consultant will be required to review all relevant documents, information and studies related to exploration, development and production of petroleum resources in the country. The Consultant will also be required to review documents from other countries in East Africa, Africa and globally which can help to develop an updated, attractive and competitive fiscal terms and MPSA. The review shall cover among other documents, sector policies, laws and regulations governing the petroleum industry in Tanzania.

**ii. Review the existing MPSAs**

The Consultant shall revisit the existing and previous MPSAs (1989, 1995, 2004, 2008 and 2013) and advise the Government on the following, among others:

- Taxation, cost recovery limit, production tranches, profit split and royalty;
- Additional Profits Tax;
- Annual levies;
- Bonuses;
- Parent company guarantees & bank guarantees;
- Establishment of office, reporting, internal control; supervision and confidentiality;
- Lifting, marketing and domestic supply obligation;
- Local content;
- Title to assets, insurance, site clean-up; decommissioning and abandonment;
- Accounting and audit;
- Health Safety and Environment;
- Assignment and transfer of rights;
- Assess and compare on point and sliding scale fiscal terms;
- Ring fencing provisions; and
- Accounting Annex and reporting provisions.

**iii. Assess the financial, economic and legal terms of the MPSAs – the Consultant will be required to:**

- Evaluate the performance of the existing MPSA;
- Perform analysis of fiscal and economic terms and legal terms of the MPSA 2013;
- Gauge the financial, economic and legal terms of Tanzania MPSA with other countries in the East Africa, Africa and the World;
- Advise and recommend attractive and competitive fiscal regime to be included in the recommended MPSA;

- Identify and analyze risks, undertake sensitivity analysis and recommend mitigating measures of the identified risks in the existing and developed MPSA;
- Advise and recommend an appropriate financing modality for GoT/TPDC participation interest as reflected in the PA 2015 throughout the petroleum value chain;
- Prepare the financial and economic model based on the developed MPSA;
- Assess, update and modify the performance of the Tanzania Upstream Economic Modelling (TUPEM) software/program in relation with the proposed terms in the MPSA that will be developed; and
- Undertake training on the new/modified Upstream Economic Modelling package.

Further, the Consultant will be required to undertake training to the client of the proposed economic modeling package considering the proposed fiscal regime.

4. Interested consulting firms must provide information indicating that they are qualified to perform the services by submitting consultant's profile, description of at least three similar assignments, experience in similar conditions, availability of appropriate skills among staff, capacity to undertake the assignment etc. Interested firm should be legally registered and Accredited with relevant bodies and must show proof of being tax compliant. For each assignment performed, the consultant shall provide the name and address of the client(s), date(s) of execution, value and financing sources.
5. The Consultant should be a reputable firm or merger of firms and should demonstrate the necessary expertise in legal, technical and commercial fields in relation to petroleum industry. The firm should have practical knowledge and experience in advising PSA contractual arrangement. The lead Consultant must be a holder of at least Master's degree in the field of Petroleum Law, Economics, Geoscience, Engineering or Finance with at least 10 years working experience in petroleum industry and technical team and staff must have the academic qualifications and experience in petroleum industry with at least a degree in economics, law, finance, Geoscience and engineering, with a practical work experience of not less than 5 years and a good and wide understanding of policies, strategies and laws governing the petroleum sector in Tanzania.

Consultants are strongly encouraged to associate to enhance their qualifications. Dully signed Memorandum of Understanding should be attached in the EoI as a proof of such association.

6. A consultant will be selected in accordance with the procedures set out in the Public Procurement Act No. 7 of 2011 and the Public Procurement Regulations, 2013 (Government Notice No. 446) and its amendment of 2016.

7. Selection will be conducted through the Quality and Cost based selection (QCBS) procedures specified in the Public Procurement Regulations.
8. This is not a request for proposals. After a review of the expression of interest, a shortlist will be prepared, and shortlisted consultants will be invited to submit their proposals through a letter of invitation including specific terms of reference.
9. Interested eligible consultants may obtain further information from the office of the Secretary TPDC Tender Board, Tanzania Petroleum Development Corporation, Benjamin William Mkapa Towers, Tower "A", Azikiwe/Jamhuri Streets, P.O. Box 2774, Dar-es-Salaam, Room number 101 on the 10<sup>th</sup> floor between 9:00 and 15:00 hours from Monday to Friday inclusive except on Public Holidays.
10. Expressions of Interest (EoI) must be delivered to the address below, in a sealed envelope by hand or courier at room number 401 on the 4<sup>th</sup> floor at or before 11:00 hours on 11<sup>th</sup> October 2021. The outer cover shall be clearly marked; Tender Number **"ISP-DRM-NRG/TZ/AfDB/CS02/QCBS/2018 CONSULTANCY SERVICES FOR STUDY AND REVIEW OF MODEL PRODUCTION SHARING AGREEMENT (MPSA)."**. **Not to be opened before 11:00 hours on Monday 11<sup>th</sup> October 2021.**
11. Deadline for submission of bids shall be on Monday 11<sup>th</sup> October, 2021 at 11:00 hour's local time. Expression of Interest will be opened promptly thereafter and in the presence of Tenderers representatives who choose to attend opening ceremony at Benjamin William Mkapa Pension Towers, Tower "A", Azikiwe/Jamhuri Streets at TPDC Board Room number 106 on the 10<sup>th</sup> floor.
12. Late Expressions of Interest shall not be accepted for evaluation irrespective of the circumstances.

**Managing Director,  
Tanzania Petroleum Development Corporation,  
Benjamin William Mkapa Towers, Tower "A"  
Azikiwe/Jamhuri Streets,  
Room No. 401, 4<sup>th</sup> floor.  
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