

WATER PARTNERSHIPS OFFICE

INCREASING PRIVATE SECTOR
PARTICIPATION IN WATER SERVICES

RFP178/2026: High-Level
Advise Presentation to
Compulsory Briefing
Session

09 October 2026



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA



RFP178/2026: MOGALE CITY LM, LESEDI LM, MERAUFONG CITY LM & RAND WEST CITY LM

Summarized High-Level Advice to Compulsory Briefing Session



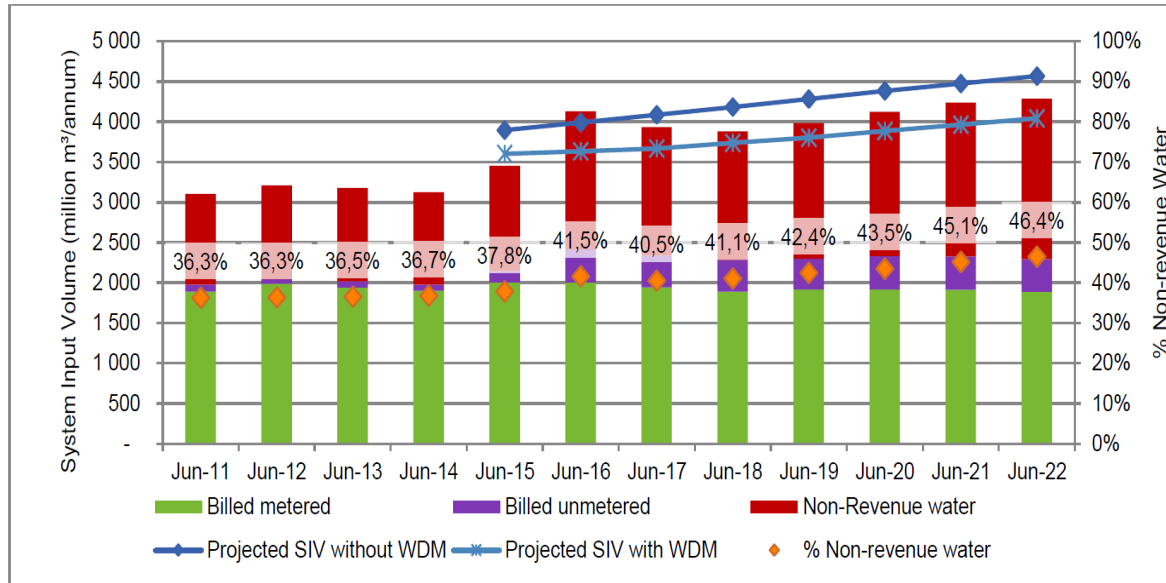
NATIONAL WATER PARTNERSHIPS PROGRAMME (NWPP) [NON-REVENUE WATER (NRW) REDUCTION PROGRAMME]

PROVISION OF PROFESSIONAL SERVICES AS A TRANSACTION ADVISOR TO UNDERTAKE BANKABLE FEASIBILITY STUDIES, COST-BENEFIT ANALYSIS, FINANCIAL MODELLING, PROJECT PREPARATION, AND TO DEVELOP PROCUREMENT DOCUMENTS FOR PERFORMANCE-BASED CONTRACT (PBC) PROJECTS FOR NON-REVENUE WATER (NRW) REDUCTION IN MOGALE CITY LM, LESEDI LM, MERAUFONG CITY LM, AND RAND WEST CITY LM

Tender Number: RFP178/2026

PROBLEM STATEMENT IN MUNICIPALITIES

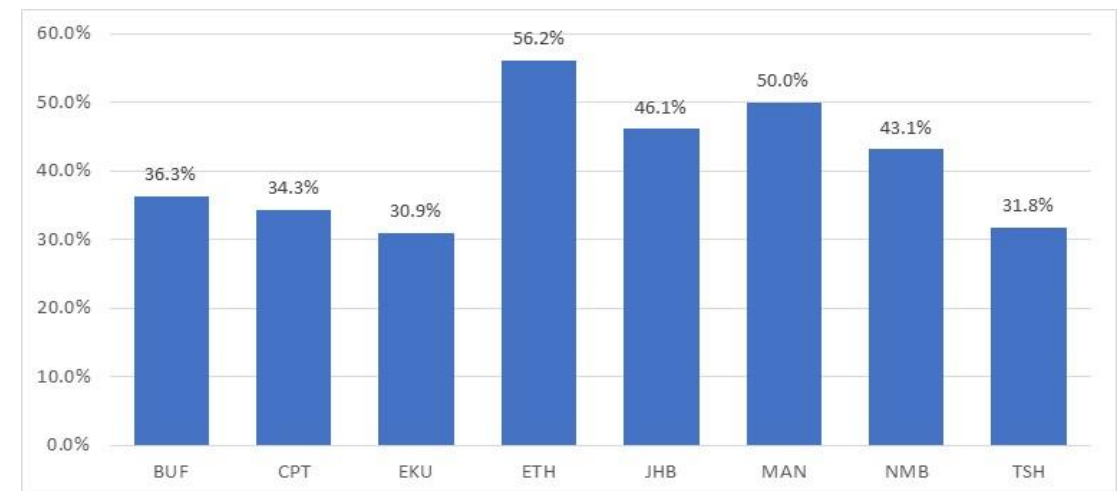
Significant increases in NRW in Municipalities



- **Significant expenditure with inability to demonstrate impact:** A total of R1.9 billion was reportedly spent on WC/WDM related projects by some WSA in the period covered by the 2025 No Drop Report of DWS. However, the WSAs were unable to demonstrate any impact with the non-revenue water increasing by 87.9 million kl/annum, despite the significant expenditure.
- **Municipalities cite lack of funding and expertise** as a major reason for not being able to reduce NRW.

Increasing NRW: Latest No Drop Report issued by DWS indicate that on average, NRW has increased from 37% in 2012, to 46.4% in 2023, and then to 47.4% in 2025.

There is an urgent need to intervene decisively to halt and reverse the trend in our water-scarce country.



OVER-ARCHING OBJECTIVES OF THE PROJECT

- **Effective reduction of Non-Revenue Water in municipalities** through the use of (pre-qualified) NRW PBC Contractors.
- **Significant improvement in the revenues of municipalities** – *improved municipal financial viability and management.*
- **Strengthen the water security of the municipalities and of the country** *vis-à-vis* climate change impacts.
- **Improve the sustainability of water services delivery in municipalities.**
- **Significant cost savings to the municipality:** NRW reduction delays (postpones) the need for CAPEX outlay for new bulk infrastructure. Further savings on OPEX as the OPEX may be leveraged from the NRW PBC Contractor over the long-term period circa ± 10 years – *NRW PBC contract period is usually determined by the financial modelling of the bankable feasibility study.*
- **Leveraging of resources (funding and skills) from the Private Sector:** PBC Contractor is incentivized to provide funding and skills for targeted NRW Reduction interventions.

HIGH-LEVEL ADVICE TO PROSPECTIVE TENDERERS [RFP178/2026]



1. Begin with the end in mind.
2. Be Proactive.
3. Put First Things First, and Do First Things First.
4. Seek First to Understand, Then to be Understood.
5. Think Win-Win.
6. Synergize.
7. “Sharpen the Axe”.
8. **Think POSSIBILITIES instead of IMPOSSIBILITIES. Think innovatively and creatively within the boundaries of existing laws and regulations: Don’t come back and tell us that the Performance-Based Contract (PBC) approach “will not work” in Mogale City LM, Lesedi LM, Merafong City LM, and Rand West City LM. Rather, tell us HOW, and in WHAT FORM, the PBC approach will work in these Gauteng Municipalities.**

HIGH-LEVEL ADVICE TO PROSPECTIVE TENDERERS [RFP178/2026] – CONTD.



1. Understanding and Compliance:

- a) **Read thoroughly:** Analyze every line of the tender rules and instructions.
- b) **Check mandatory forms:** Fill out and sign all required administrative documents.
- c) **Meet statutory needs:** Include valid tax clearances, registrations, and local licenses.
- d) **Use a checklist:** Track every single requested item to prevent disqualification.

2. Proposal Quality and Strategy:

- a) **Tailor your response:** Avoid generic text and match your solutions to the Employer's exact goals.
- b) **Highlight unique strengths:** Show clear value-added services that set you apart.
- c) **Provide proof:** Use verified case studies and client references from similar projects.
- d) **Clear structure:** Use simple headings, clear pagination, and concise layouts

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3. **Proposal Submission:**

- a) **Double-check (cross-check) all information:** Verify all compiled information required for submission.
- b) **Authorized sign-offs:** Confirm proper signatures and corporate approvals are attached.
- c) **Early submission:** Upload or deliver your package ahead of time to avoid technical failures or late lockouts.

THE REALITIES ON THE GROUND-1

The IWA Water Balance: 5Ws: “What?, Where?, Why?, Which?, Who?”

1	2	3	4	5
System Input Volume	Authorized Consumption	Billed Authorized Consumption	Billed Metered Consumption	Revenue Water
			Billed Unmetered Consumption	
		Unbilled Authorized Consumption	Unbilled Metered Consumption	Non-Revenue Water (NRW)
			Unbilled Unmetered Consumption	
	Water Losses	Apparent Losses	Unauthorized Consumption	
			Customer Metering Inaccuracies	
		Real Losses	Leakage on Transmission and/or Distribution Mains	
			Leakage and Overflows at Utility's Storage Tanks	
			Leakage on Service Connections up to point of Customer Metering	

THE REALITIES ON THE GROUND-2

The Municipal Revenue Value Chain

Policies, procedure, by-laws,
revenue budgets & tariffs

- Existence of updated & reviewed documents.
- Alignment of the above to municipality's current operations.
- Compliance with the above.



Customer data quality & consumer
management

- Reconciliation of valuation roll to deeds office and surveyor general listing.
- Reconciliation of local municipality data to district municipality data.
- Completeness of customer information on billing system.

Indigent Management

- Community awareness.
- Formal indigent applications & verification thereof.
- Indigent register.
- Billing of indigents.
- Restrictions of services to indigents.
- Accurate offsetting of indigents against equitable share.



Billing and Revenue Collection

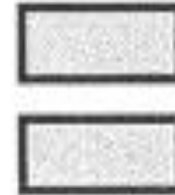
- Accuracy of billing.
- Billed revenue versus collection revenue.
- Returned mail.
- RD cheque register.
- Unallocated receipts
- Clearing of suspense accounts.
- Updating debtors ledgers.

THE REALITIES ON THE GROUND-3

The Municipal Revenue Value Chain (Contd.)

Debt management

- Monthly review of debtors age analysis.
- Percentage debt outstanding for more than 90 days.
- Review of credit control measures.
- Follow-up of existing payment arrangements in place.
- Councilor involvement.



Revenue
value chain

THANK YOU

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