

WATER PARTNERSHIPS OFFICE

INCREASING PRIVATE SECTOR
PARTICIPATION IN WATER SERVICES

RFP178/2026: Summarized
Presentation to Compulsory
Briefing Session

9 October 2026



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

DBSA
DEVELOPMENT BANK OF SOUTHERN AFRICA
Building Africa's Prosperity



RFP178/2026: BFS, FM, & CBA FOR NRW PBC



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

RFP178/2026: BFS, FM, & CBA FOR NRW PBC



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- Part C3: Scope of Work - Pages 104 to 130
- Part C2: Pricing Data - Pages 73 to 103

Note: Tender closes 20 November 2026

Ultimate Project Goal

- **Effective reduction of Non-Revenue Water** in the **Gauteng Municipalities** using Performance-Based Contracts (PBC).
- **Significant improvement in the revenues of Gauteng Municipalities**— improved municipal financial viability.
- **Strengthen the water security** of the municipalities and of the country *vis-à-vis* climate change impacts.
- **Improved the sustainability** of water services delivery in Gauteng Municipalities
- **Significant cost savings to the municipality:** NRW reduction delays (postpones) the need for CAPEX outlay for new bulk infrastructure. Further OPEX savings, as the PBC Contractor leverages OPEX over seven to 10 years.
- **Leveraging significant funding and skills from the Private Sector: PBC Contractor is incentivised** to provide funding and skills for targeted NRW Reduction interventions.

To achieve the goals and objectives:

The TA is expected to identify which of the NRW reduction interventions are suitable for funding and implementation through Performance-Based Contracts (PBC).

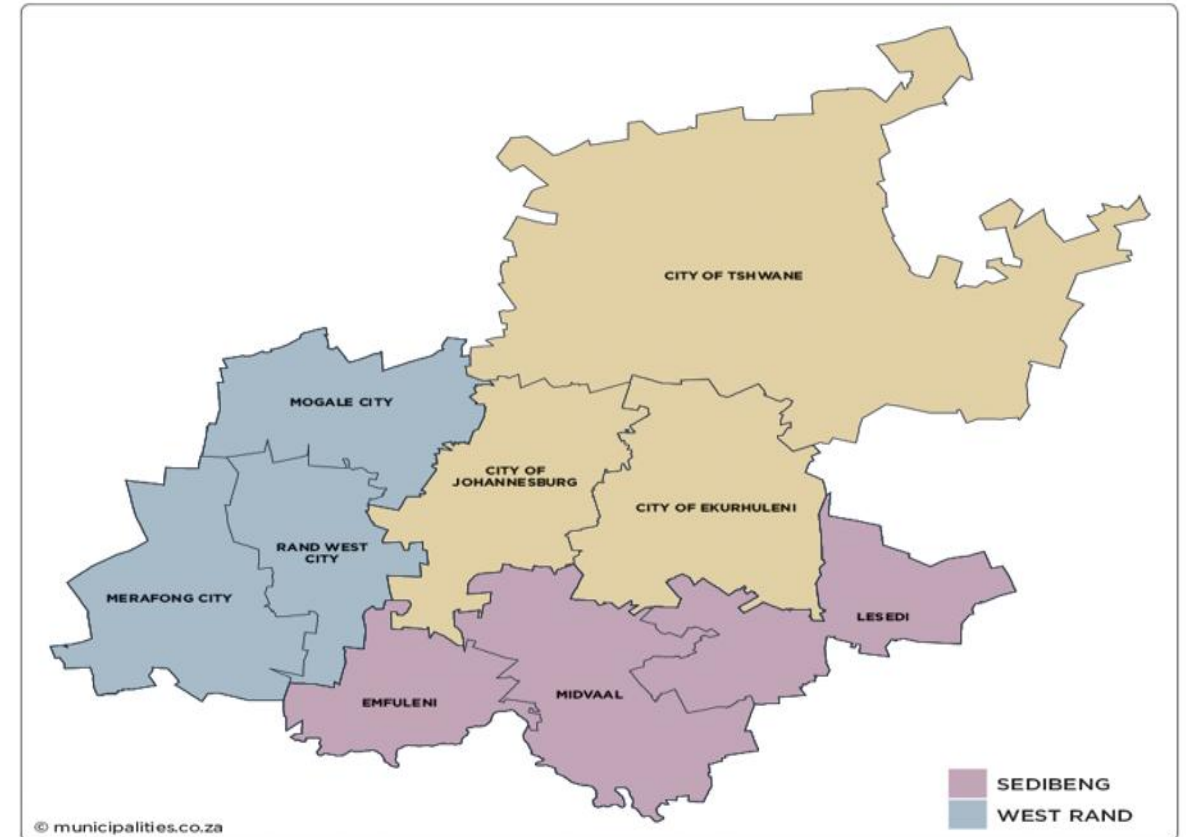
(The Gauteng Municipalities and the WPO intend to maximise investment from the PBC contractor and minimise the funding required from the Municipality.)

The TA must undertake the:

- identification
- project preparation
- detailed specification(s)
- cost-benefit analysis and financial modelling
- “design/scope” of NRW PBC projects in the Project Area

SCOPE OF THE WORK

- C3.1.1 Introduction
- C3.1.2 Municipal Background
- C3.1.3 Project Goals and Objectives
- C3.1.4 Scope of Work
- C3.1.5 Project Progress Reports and Submission of Completed Deliverables at end of the Project
- C3.1.6 Implementation Time Frames, Assumptions, Risks and Risk Mitigations
- C3.1.7 Reporting Lines
- C3.1.8 Project Steering Committee (PSC)
- C3.1.9 Contact Person



Introduction

- South Africa is a water-scarce country
- Non-revenue water increased rapidly in recent years (estimated from 37% to 50%)
- The South African water sector is also characterised by the following dynamics:
 - Growing water supply infrastructure needs
 - Lack of municipal capacity
 - Ageing municipal infrastructure
 - Poor revenue collection
 - Failures in governance, management and financial viability

Municipal Background – Geospatial Overview, Demographic Overview and No-Drop Scores:

- Refer to section C3.1.2 of the Scope of Work in the Tender document.
- **2023 No-Drop Scores:** Mogale City (38%); Lesedi (39%); Merafong City 70%); Rand West City (0%).
- No-Drop scores range from average performance to very poor performance.
- There are staff at the WSA responsible for water loss management, but there were shortcomings in the team and/or the related documentation (Clause 66 (Staff matters) of the Municipal Systems Act).
- Inadequate consumer meter maintenance and replacements. Poor leak detection and repair.
- In summary, there is a need for targeted WC&WDM / NRW turnaround interventions in all four municipalities.

RFP178/2026: PART C3- SCOPE OF WORK



- Given the above challenges, the Gauteng Municipalities has approached the Water Partnerships Office (WPO) at the Development Bank of Southern Africa (DBSA) to assist with:
 - A Bankable Feasibility Study
 - Project Preparation
 - Cost-Benefit Analysis (CBA)
 - Financial Modelling for Non-Revenue Water (NRW) Reduction projects
- These interventions are to be implemented through performance-based contracts (PBCs) to ensure accountability, efficiency, and measurable outcomes in reducing water losses and improving revenue collection.

Project Goals:

- a) Reduce non-revenue water (NRW) in the Project Areas (DMA) and in the municipalities.
- b) Conserve the scarce resource (water) in the municipal areas.
 - Improve the revenues of the municipalities and their financial viabilities.
 - Strengthen the water security of the municipalities.
 - Enhance the sustainability and reliability of water supply service in the municipalities.
- a) Leverage funding and expertise from the private sector for effective reduction in NRW through PBCs.

RFP178/2026: PART C3- SCOPE OF WORK



Project Objectives:

- a) Appoint and contract a Transaction Advisor
- b) Confirm the selection and suitability of the District Metered Areas (DMA)
- c) Identify NRW Reduction interventions within the Project Area pursuant to establishing the baseline water balance thereof.
- d) Develop the timeline and phasing of the NRW Reduction interventions
- e) Estimate the water loss reduction to be achieved by each NRW Reduction intervention in the Project Areas.
- f) Substantiated economic and financial benefit analysis of the NRW Reduction interventions
- g) Address the Environmental and Social impacts
- h) Address the operations and maintenance requirements
- i) Prepare and scope identified projects that are suitable for Performance-Based Contracts
- j) Facilitate the procurement of a PBC Contractor
- k) Provide advisory support (technical and financial)
- l) Structure the identified interventions – to be implemented on a Performance Based Contracting (PBC) basis
- m) Provide a reference document for loan agreements (Overall performance targets/ Specific targets/ On-going monitoring, verification & reporting)

RFP178/2026: PART C3- SCOPE OF WORK



Scope of the Project:

1. Project Implementation Plan (PIP) (2 weeks after appointment) and provide a Project Inception Report
2. Implementation of Development Facilitation / Social Facilitation throughout the project duration
3. Existing Situation Assessment and Validation of Ring-Fenced DMA and Project Areas in the respective municipalities.
4. Institutional Capacity Assessment
5. Financial Assessment and Evaluation
6. Identification and Evaluation of NRW Reduction Interventions (Including Operational specifications)
7. Determination of Anticipated Results to be obtained from the proposed NRW Interventions in the Project Areas
8. Financial and Economic Assessment and Analysis of Each Proposed NRW Reduction Intervention in the Project Areas as a whole
9. Design of Advanced Metering Infrastructure (AMI)
10. Compilation of Functional Specification for Monitoring and Verification of NRW Reduction Results
11. Environmental and Social Requirements
12. Local Economic Development
13. Contractual Delivery Mechanisms
14. Project Preparation of Identified Performance-Based Contracts NRW Reduction Projects
15. Preparation of Procurement and Contract Documentation for Viable PBC NRW Reduction Projects for Implementation with Private Sector Participation
16. Support to the Municipality in respect of compliance
17. Submission of the Project Deliverables and Support for their adoption by the City / Municipal Executive Committee and City / Municipal Council.
18. Submission of the Project Close Out report

RFP178/2026: PART C3- SCOPE OF WORK



Site Information;

The following information has been provided in the tender documentation:

- DMA layouts for the four municipalities - section C3.1.4(3).
- Indicative maps of the Pilot Project Areas (DMA) in the respective municipalities.
- List of available documents and studies.

RFP178/2026: PART C2- PRICING DATA



- Par C2.1: Pricing Assumptions
- Schedule C2.2: Time-based fees
- Schedule C2.3 – C2.10: Pricing Data / Schedules (*Bankable Feasibility Study*) & Pricing Data / Schedules (*Advanced Metering Infrastructure*)
- Schedule C2.11: Overall Cost Summary

RFP178/2026: PART C2- PRICING DATA



- Par C2.1: Pricing Assumptions - Standard – and if not clear formal questions will be responded to.
- Par C2.2: Time-based fees (designated key professionals / experts)-
 - Project Manager and Team Leader
 - Civil Engineer: Non-Revenue Water
 - Civil Engineer: Construction Contracts
 - Legal Expert
 - Institutional Expert: (Water Sector)
 - Municipal Finance Expert / Infrastructure Investment Analyst
 - Environmental Management Expert
 - Development / Social Facilitation Expert

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RFP178/2026: PART C2- PRICING DATA



- Part C2.3: Pricing Data / Schedules

RFP178/2026: PART C2- PRICING DATA



SCHEDULE C2.3: PRICING DATA: DEVELOPMENT OF A BANKABLE FEASIBILITY STUDY, 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 LOCAL MUNICIPALITY

The detailed description of the scope of work or key deliverable are outlined in section section C3.1 of this tender document. The maximum duration for the completion of all Key Deliverables in the Scope of Work is **Six (6) months from the Start Date.**

ID	SCOPE OF WORK / KEY DELIVERABLE(S)	PAYMENT MILESTONE	PROPOSED PROFESSIONAL FEES (Excl. VAT) (Rand)	OPERATIONAL COSTS @ 5% OF PROFESSIONAL FEES (Excl. VAT) (Rand)	TOTAL PROPOSED FEES AND OPERATIONAL COSTS FOR SCOPE OF WORK (Excl. VAT) (Rand)
1	PROJECT IMPLEMENTATION PLAN (PIP) AND DEVELOPMENT FACILITATION / SOCIAL FACILITATION PLAN	- Approved PIP - Approved Development Facilitation / Social Facilitation Plan			
2	STAKEHOLDER ENGAGEMENT, ESTABLISHMENT OF THE PROJECT STEERING COMMITTEE (PSC), PROJECT INCEPTION REPORT (PIR)	- Approved Terms of Reference of the PSC. - Approved Meeting Schedule of the PSC. - Approved Project Inception Report (PIR).			
3	IMPLEMENTATION OF DEVELOPMENT FACILITATION / SOCIAL FACILITATION THROUGHOUT THE PROJECT DURATION	Approved monthly report on Development Facilitation / Social Facilitation.			
4	EXISTING SITUATION ASSESSMENT AND VALIDATION OF RING-FENCED DMA AND PROJECT AREAS	Approved Report.			

RFP178/2026: PART C2- PRICING DATA

ID	SCOPE OF WORK / KEY DELIVERABLE(S)	PAYMENT MILESTONE	PROPOSED PROFESSIONAL FEES (Excl. VAT) (Rand)	OPERATIONAL COSTS @ 5% OF PROFESSIONAL FEES (Excl. VAT) (Rand)	TOTAL PROPOSED FEES AND OPERATIONAL COSTS FOR SCOPE OF WORK (Excl. VAT) (Rand)
5	PROVISIONAL SUM: FOR THE INSTALLATION OF EQUIPMENT (WHERE REQUIRED), AND FOR UPDATING OF CRITICAL TECHNICAL AND FINANCIAL INFORMATION OF THE WATER INFRASTRUCTURE IN THE PROJECT AREAS	- Updated water system characteristics of the project areas. - Updated Asset Register of the water infrastructure in the Project Areas. - Updated financial information on the water services business in the Project Areas.	N/A	N/A	R750,000.00
6	INSTITUTIONAL CAPACITY ASSESSMENT	Approved Report.			
7	FINANCIAL ASSESSMENT AND EVALUATION	Approved Report.			
8	IDENTIFICATION AND EVALUATION OF NON-REVENUE WATER (NRW) REDUCTION INTERVENTIONS	- Approved Report - Compilation and review of operations specification			
9	DETERMINATION OF ANTICIPATED RESULTS TO BE OBTAINED FROM PROPOSED NRW INTERVENTIONS IN THE DMA AND PROJECT AREAS	Approved Report			

RFP178/2026: PART C2- PRICING DATA



ID	SCOPE OF WORK / KEY DELIVERABLE(S)	PAYMENT MILESTONE	PROPOSED PROFESSIONAL FEES (Excl. VAT) (Rand)	OPERATIONAL COSTS @ 5% OF PROFESSIONAL FEES (Excl. VAT) (Rand)	TOTAL PROPOSED FEES AND OPERATIONAL COSTS FOR SCOPE OF WORK (Excl. VAT) (Rand)
10	FINANCIAL AND ECONOMIC ASSESSMENT AND ANALYSIS OF EACH PROPOSED NRW REDUCTION INTERVENTION IN THE PROJECT AREAS AS A WHOLE	Approved Report			
11	COMPILATION OF FUNCTIONAL SPECIFICATION FOR MONITORING AND VERIFICATION OF NRW REDUCTION RESULTS	Approved Report			
12	ENVIRONMENTAL AND SOCIAL REQUIREMENTS	Approved Report			
13	LOCAL ECONOMIC DEVELOPMENT	Approved Report			
14	CONTRACTUAL DELIVERY MECHANISMS	Approved Report			
15	PROJECT PREPARATION OF IDENTIFIED PERFORMANCE-BASED NRW REDUCTION PROJECTS	Approved Report			
16	PREPARATION OF PROCUREMENT AND CONTRACT DOCUMENTATION FOR VIABLE PBC NRW REDUCTION PROJECTS FOR PRIVATE SECTOR	Approved Report			

RFP178/2026: PART C2- PRICING DATA

ID	SCOPE OF WORK / KEY DELIVERABLE(S)	PAYMENT MILESTONE	PROPOSED PROFESSIONAL FEES (Excl. VAT) (Rand)	OPERATIONAL COSTS @ 5% OF PROFESSIONAL FEES (Excl. VAT) (Rand)	TOTAL PROPOSED FEES AND OPERATIONAL COSTS FOR SCOPE OF WORK (Excl. VAT) (Rand)
	PARTICIPATION (A Template is available from the WPO and can be used as abasis to work from)				
17	SUPPORT TO THE MUNICIPALITY IN RESPECT OF COMPLYING WITH NATIONAL REPORTING REQUIREMENTS FOR NON-REVENUE WATER (NRW) FOR DEPARTMENT OF WATER AND SANITATION (DWS) AND NATIONAL TREASURY (NT).	- Review and suggested improvements of the current municipal reporting system Confirmed establishment or improvement of data sources for NRW in the Project Areas (DMA). - Water Balance of the DMA at the relevant time period (quarters) during the project duration. - Input with Project Area information into NRW related reports e.g., Blue Drop, and No Drop Assessments as per NT's MFMA Circular 88.			
18	SUBMISSION OF THE PROJECT DELIVERABLES AND SUPPORT FOR THEIR ADOPTION BY THE MUNICIPALITY'S EXECUTIVE COMMITTEE AND COUNCIL	- Approved Report. - Extract of Council Resolution of the Municipality's adoption of the Project Outputs.			

RFP178/2026: PART C2- PRICING DATA



ID	SCOPE OF WORK / KEY DELIVERABLE(S)	PAYMENT MILESTONE	PROPOSED PROFESSIONAL FEES (Excl. VAT) (Rand)	OPERATIONAL COSTS @ 5% OF PROFESSIONAL FEES (Excl. VAT) (Rand)	TOTAL PROPOSED FEES AND OPERATIONAL COSTS FOR SCOPE OF WORK (Excl. VAT) (Rand)
19	PROVISIONAL SUM: PROCUREMENT SUPPORT TO THE MUNICIPALITY (POST-COMPLETION OF THE BANKABLE FEASIBILITY STUDY)	Approved Reports.	N/A	N/A	R750,000.00
20	PROJECT CLOSEOUT REPORT	Approved Project Closeout Report as per the format or guidelines provided by the DBSA/WPO			
24	~~Provisional Sum: Experiential Training (Internship) for six months of Two local Civil Engineering Graduates identified by the WPO or by the Municipality.~~	~~Approved Monthly Report~~	~~N/A~~	~~N/A~~	~~R360,000~~
22	TOTAL FEES AND OPERATIONAL COSTS (Excl. VAT) FOR THE DEVELOPMENT OF A BANKABLE FEASIBILITY STUDY, 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 LOCAL MUNICIPALITY CARRIED FORWARD TO OVERALL COST SUMMARY IN SCHEDULE C2.11				

NOTE: Tenderers are to attach a breakdown of the total proposed fee per deliverable to that page (schedule). The breakdown is to clearly indicate the scope of work or key deliverables, the elements of the scope of work, the resources applied, the estimated duration and rates of the applied resources for each element of the scope of work.

RFP178/2026: PART C2- PRICING DATA



SCHEDULE C2.4: PRICING DATA: DEVELOPMENT OF A BANKABLE FEASIBILITY STUDY, 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 LOCAL MUNICIPALITY [ADVANCED METERING INFRASTRUCTURE (AMI)]

ID	SCOPE OF WORK / KEY DELIVERABLE(S)	PAYMENT MILESTONE	PROPOSED PROFESSIONAL FEES (Excl. VAT) (Rand)	OPERATIONAL COSTS @ 5% OF PROFESSIONAL FEES (Excl. VAT) (Rand)	TOTAL PROPOSED FEES AND OPERATIONAL COSTS FOR SCOPE OF WORK (Excl. VAT) (Rand)
1	DESIGN OF ADVANCED METERING INFRASTRUCTURE (AMI)	- Approved Conceptual and Detail Design Reports - Approved Design of Advanced Metering Infrastructure			
2	TOTAL FEES AND OPERATIONAL COSTS (Excl. VAT) FOR THE DESIGN OF ADVANCED METERING INFRASTRUCTURE (AMI) FOR MOGALE CITY LOCAL MUNICIPALITY CARRIED FORWARD TO OVERALL COST SUMMARY IN SCHEDULE C2.11	Approved Design of Advanced Metering Infrastructure.			

NOTE: Tenderers are to attach a breakdown of the total proposed fee per deliverable to that page (schedule). The breakdown is to clearly indicate the scope of work or key deliverables, the elements of the scope of work, the resources applied, the estimated duration and rates of the applied resources for each element of the scope of work.

RFP178/2026: PART C2- PRICING DATA

C2.11 PRICING DATA: OVERALL COST SUMMARY: 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.

SCHEDULE C2.11: OVERALL COST SUMMARY

SCHEDULE No.	SUMMARIZED DESCRIPTION OF SCOPE OF WORK	TOTAL PROPOSED FEES AND OPERATIONAL COSTS (Rand)
C2.3	Scope of Work for Mogale City LM as described in section C3.1 and summarized in the Pricing Schedule C2.3	
C2.4	Proposed fees and operational costs for the Design of Advanced Metering Infrastructure (AMI) for Mogale City LM as per Schedule C2.4	
C2.5	Scope of Work for Lesedi LM as described in section C3.1 and summarized in the Pricing Schedule C2.5	
C2.6	Proposed fees and operational costs for the Design of Advanced Metering Infrastructure (AMI) for Lesedi LM as per Schedule C2.6.	
C2.7	Scope of Work for Merafong City LM as described in section C3.1 and summarized in the Pricing Schedule C2.7	
C2.8	Proposed fees and operational costs for the Design of Advanced Metering Infrastructure (AMI) for Merafong City LM as per Schedule C2.8	
C2.9	Scope of Work for Rand West City LM as described in section C3.1 and summarized in the Pricing Schedule C2.9	
C2.10	Proposed fees and operational costs for the Design of Advanced Metering Infrastructure (AMI) for Rand West City LM as per Schedule C2.10	

RFP178/2026: PART C2- PRICING DATA



SCHEDULE No.	SUMMARIZED DESCRIPTION OF SCOPE OF WORK	TOTAL PROPOSED FEES AND OPERATIONAL COSTS (Rand)
	Sub-Total of Pricing for Proposed Fees and Operational Costs for the Project in Mogale City LM, Lesedi LM, Merafong City LM, and Rand West City LM (Excl. VAT)	
	VAT @ 15% or the VAT rate that is applicable at the time of the tender closure	
	TOTAL PROPOSED FEES AND OPERATIONAL COSTS FOR THE PROJECT (Incl. VAT)	
	TOTAL TENDER PRICE (Incl. VAT) FOR THE PROJECT CARRIED FORWARD TO C1.1 FORM OF OFFER AND ACCEPTANCE	

I, the undersigned, do hereby declare that the above is a proper pricing data forming part of my/our tender submission for *RFP178/2026: 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.*

SIGNED ON BEHALF OF TENDERER: **Date:**.....

- No Deviations allowed.
- **Project Duration of 6 months from Start Date**
- Fixed Price Contract
- Penalties: 2.5% of the Contract Price up to a maximum amount of 100% of the Contract Price shall apply.
- Proof of Insurances must be submitted