

	<h1>BID CLARIFICATION</h1>	Form No: RW SCM 00041 F Revision: 03 Effective Date: 31 Jan 2023
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Bid Number RW10412255/25
Clarification Number 01

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Date: 17 July 2025

BID NUMBER : RW10412255/25

**BID DESCRIPTION: APPOINTMENT OF THE PANEL OF PROJECT FINANCE
TRANSACTIONAL ADVISORS FOR RAND WATER FOR A PERIOD OF FIVE (05) YEARS**

Clarification for questions raised by the Suppliers.
This clarification consists of 12 questions and answers on pages 2 to 8.

SIGNATURES

Johannes Sebothoma
Senior Buyer
Sign

Mpolokeng Mtimkulu
Sourcing Manager
Sign

Emmanuel Nzilo
Supply Chain Manager
Sign

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RW10412255/25 APPOINTMENT OF THE PANEL OF PROJECT FINANCE TRANSACTIONAL ADVISORS FOR RAND WATER FOR A PERIOD OF FIVE (05) YEARS

Dear Tenderers,

Please see questions and answers below:

Questions	Responses
<p>1. Please advise if Cresco, as project finance advisors, may submit a response to the attached RFP for our services only (being project finance advisory only) or do we need to submit a consortium response, incorporating technical and legal services too?</p>	<ul style="list-style-type: none"> ▪ The requirement for the 5 team member resources should be aligned and all encumbersome to present a team with all the required expertise for project financing, structured financing, (PPP's) and corporate finance and therefore is optional to submit as a consortium.
<p>2. Human Resource Capacity</p> <p>Kindly indicate or clarify if the requirement for a minimum of 5 team members is across all the disciplines required (Financial, Legal and Technical advisor(s)? and if there is an ideal number of team members required within each discipline on the assignment?</p> <p>You have requested no less than 5 team members with experience in finance transaction advisory services defined as (Project finance, structured finance, public private/public partnership (PPP) and corporate finance). Can we confirm that this definition provided in brackets in indicative only and can be extended to include the following additional expertise positions to balance out the team proposed:</p>	<ul style="list-style-type: none"> ▪ The requirement for the 5 team member resources should be aligned and all encumbersome to present a team with all the required expertise for project financing, structured financing, (PPP's) and corporate finance. The interpretation is correct that the resources aren't limited to one field of expertise but that it extends across all the required expertise. Your interpretation on the number of resources is also correct in that you are not limited to five.

<p>2.1 Technical Advisors in the water sector with expertise in (pipelines, reservoirs, pump stations, purification, automation, buildings and energy provision).</p> <p>2.2 Legal Advisory Services.</p> <p>2.3 Environmental and Social Advisory Services.</p>	
<p>3. Project Risk Management:</p> <p>Please confirm the type of projects to be covered in this assessment. It is noted from Rand Water's Annual Report and other Online presentations the nature of the projects to be implemented may vary. Would you require the risk management to be provided per type of project or for the bidder to develop a generic submission that will cover all project types.</p>	<ul style="list-style-type: none"> ▪ The risks management should be based on the scope of work on page 54 of bid document and you are required to complete a project risk management register on page 34 of the bid document, and add additional risks identified.
<p>4. Returnable Schedules</p> <p>Declaration of Insurance</p> <p>Please confirm that as this is a Transaction Advisory Appointment and as the bidders are not anticipating having to source or deploy equipment and are not involved in the construction, manufacturing and fabrication of equipment that the following insurance cover can be marked as not applicable for this bid:</p> <ul style="list-style-type: none"> • Motor Vehicle Liability • Contractor Equipment • Manufacturing/Fabrication Premises 	<ul style="list-style-type: none"> ▪ This is a professional services bid and motor vehicle liability, contractor equipment and manufacturing/fabrication premises can be marked as not applicable for this bid.
<p>5. Human Resource Capacity Schedule</p> <p>Please confirm that the request to display the company organogram and role of each member is with respect to the</p>	<ul style="list-style-type: none"> ▪ Both company organogram and Project team are required: Company organogram is a company's structure

team that will be deployed to this assignment with respect to the Financial, Legal and Technical Advisors and not that of the company wide structures of the individual firms. (EY and its partnering entities for this Bid).

and project team refers the dedicated team for project with respect to the Financial, Legal and Technical Advisors, including CVs and proof of qualifications for all members of project team.

6. Scope of work

Environmental Impact Assessment

Please confirm what is meant by Environmental impact assessment, namely:

- Due diligence of the project and review of environmental impacts, or
- Acquiring an EIA or Environmental License for the project.

Please confirm what is meant by Environmental Management and Monitoring Plan, namely:

- Development of a management and monitoring plan, which will outline the requirements of acquiring an environmental licence and approach to monitoring Environmental risks on the project which can inform the EIA process, or
- Develop an environmental management and monitoring plan as required as part of the EIA licensing process.

▪ An **Environmental Impact**

Assessment (EIA) is a formal process used to identify, predict, and assess the potential environmental effects (both positive and negative) of a proposed project before decisions are made, and development is carried out.

Regarding the **EIA**, the requirement refers to both:

- Conducting due diligence and a review of the project's environmental impacts, and
- If applicable, facilitating the acquisition of an EIA or Environmental License as required by regulatory authorities.

This ensures comprehensive evaluation of environmental risks and compliance with permitting obligations.

As for the **Environmental Management and Monitoring Plan (EMMP)**, the intention is to: Develop a management and monitoring framework that outlines key environmental

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	<p>risks, mitigation measures, and compliance protocols.</p> <p>This plan should both:</p> <ul style="list-style-type: none"> • Inform the EIA process, and • Be aligned with regulatory requirements where it forms part of the licensing submission. <p>Rand Water does however welcome proposals that demonstrate integrated approaches to environmental due diligence, licensing, and ongoing risk management.</p>
<p>7. Social Impact Assessment</p> <p>Please confirm what is meant by preparation of a LARP, namely:</p> <ul style="list-style-type: none"> • LARP development as required as part of an EIA process, or • Roadmap and development of specifications required to develop an LARP for the project, used to inform the EIA process. 	<ul style="list-style-type: none"> ▪ In this context, the requirement for preparation of a Land Acquisition and Resettlement Plan (LARP) refers to: ▪ The roadmap and development of specifications necessary to support the creation of a comprehensive LARP for the project, which in turn will inform the Environmental Impact Assessment (EIA) process. <p>This entails identifying project-affected persons, assessing potential displacement, livelihood impacts, and outlining mitigation measures—ensuring that land acquisition and resettlement considerations are proactively addressed at the planning phase.</p>

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	While full LARP implementation may follow at later stages, the current focus is on early diagnostic and strategic alignment within the broader environmental and social framework.
8. PPP/Value for Money Assessment Please clarify if the scope is limited to assessment of needs of SPVs or if this also requires the support in incorporation of such entities, if required.	<ul style="list-style-type: none"> The scope of the PPP/Value-for-Money Assessment extends beyond the evaluation of SPV needs. It includes a comprehensive analysis of alternative technical PPP delivery options, assessment of value-for-money across procurement models, and the determination of key commercial terms for the proposed PPP structure. <p>Where the assessment identifies the need for a Special Purpose Vehicle (SPV), the scope may also include advisory support on the incorporation and structuring of such entities, to ensure alignment with the recommended delivery model and funding strategy.</p>
9. Pricing Data Pricing Schedules/Bill of Quantities The schedule includes input cells for QTY (A), RATE (B) Total (A x B). As this is a panel appointment RFP and we do not have sight of the individual projects, please advise if we are required to provide the QTY (A) and Total (A x B). Please note that in the briefing session, it was indicated to only provide a	<ul style="list-style-type: none"> Full Spectrum of Project Finance Transactional Advisory Services as detailed in the scope of work, Phase 1: Bankable feasibility study and funding options. (Service Providers are required to quote for hourly rate for the team of a minimum number of five (5) members and one (1) project lead), as indicated above you required to quote for hourly rate for the whole team and quantity is one.

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<p>blended hourly rate for 1 team lead and min 5 team members for phase 1 and phase 2. If so, do we ignore the cells for QTY (A) and Total (A x B).</p>	<ul style="list-style-type: none"> Full Spectrum of Project Finance Transactional Advisory Services as detailed in the scope of work, Phase 2: Ongoing implementation Advisory Services. (Service Providers are required to quote for hourly rate for the team of a minimum number of five (5) members and one (1) project lead), as indicated above you required to quote for hourly rate for the whole team and quantity is one.
<p>10. We kindly request confirmation on whether bidders are expected to submit proposals as a consortium capable of delivering the full Scope of Work as outlined on pages 54 to 56 of the Request for Bid document. Alternatively, is the intention of the Request for Bid to appoint a panel comprising technical, financial and legal advisors who will collaborate to deliver the Scope of Work items listed in the Request for Bid?</p>	<ul style="list-style-type: none"> The requirement for the 5 team member resources should be aligned and all encumbersome to present a team with all the required expertise for project financing, structured financing, (PPP's) and corporate finance and therefore is optional to submit as a consortium .
<p>11. With reference to the Penalty Table on page 39 of the Request for Bid document, we seek clarification on whether penalties may be limited with reference to the transaction value awarded for a specific project. For example, if the advisor's allocated value for a project is R1 million, would it be possible for the penalties to be capped at 10% (example, percentage can be negotiated) of that amount to ensure commercial viability?</p>	<ul style="list-style-type: none"> No, penalties will apply to all projects.

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12 It is our understanding that the Employer is Rand Water. Kindly confirm whether Rand Water, as a body corporate established under Section 83 of the Water Services Act 107 of 1997, will serve as the contracting entity for this engagement.

Would you kindly complete the attached Excel document, which is required as part of our internal risk assessment process? We prepopulated some of the fields based on the assumption that Rand Water will be the contracting entity (kindly confirm that these details are correct, should Rand Water be the contracting entity).

- Rand Water is the Employer, refer to page 43 of Bid document for more information.

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13. Do you have expectation of the nature of the projects that will form part of the programme (nature, scale, etc.)?

Should you require these questions to be submitted in a specific format or via an online portal, we would appreciate it if you could provide the relevant format and submission link.

- Refer to the scope of work on page 54 of the Bid document.

- Questions are required to be submitted via e-mail. However, refer to page 3 of Bid document for Bid clarifications procedure.