

	BID CLARIFICATION	Form No: RW SCM 00041 F Revision: 03 Effective Date: 31 Jan 2023
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Bid Number RW10414743/25R
Clarification Number 01

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Date: 24 August 2026

BID NUMBER RW10414743 25R

BID DESCRIPTION : THE APPOINTMENT OF AN EXTERNAL ASSURANCE PROVIDER TO PERFORM OTHER AUDIT RELATED SERVICES AT RAND WATER FOR THE PERIOD OF 5 YEARS

This clarification is provided in response to the questions raised.

The pages referenced are the pages of the RW10414743/25R bid document.

This clarification consists of 45 statements in the following pages.

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SIGNATURES

Buyer : Thabo Mbende

Sign : THABO MBENDE
Digitally signed by THABO MBENDE
Date: 2026.08.24 15:02:32 +02'00'

Supply Chain Manager : Emmanuel Nzilo

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Sourcing Manager : Ntikane Radebe

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Rand Water Head Office, 522 Impala Road, Glenvista, 2058 | PO Box 1127, Johannesburg, 2000, South Africa

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Clarification Questions	Responses
Part A: Sustainability work clarification questions	Part A: Sustainability work clarification responses
1. Please clarify if the expectation is to perform a readiness review or limited assurance in year 1?	1. Limited Assurance Reviews annually on selected and reported objectives.
2. Is the level of assurance to be given the same for year 1 -5?	2. Limited Annual Assurance Review
3. What is the subject matter to be assured (i.e.) which KPIs?	3. Rand Water is committed to contributing to national and global sustainable development priorities, including South Africa's National Development Plan (NDP) and the United Nations Sustainable Development Goals (SDGs). As a bulk water and sanitation provider, Rand Water makes a direct contribution to SDG 6: Clean Water and Sanitation, which seeks to ensure the availability and sustainable management of water and sanitation for all. Rand Water also contributes indirectly to the following SDGs through its operations, programmes and broader socio-economic and environmental impact: ○ SDG 1: No Poverty ○ SDG 4: Quality Education ○ SDG 5: Gender Equality ○ SDG 8: Decent Work and Economic Growth ○ SDG 10: Reduced Inequalities ○ SDG 12: Responsible Consumption and Production ○ SDG 13: Climate Action ○ SDG 15: Life on Land The sustainability KPIs are therefore intended to demonstrate Rand Water's contribution to these development priorities and to provide stakeholders

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	with transparent and meaningful information on its environmental, social and governance (ESG) performance. The ultimate objective is to phase in the adoption and application of IFRS Sustainability Disclosure Standards, specifically IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures)
4. What are the criteria that is applied to measure and report on the subject matter/ KPIs (i.e.) internally developed/ GRI/ TNFD / GHG protocol?	4. Rand Water's mandate is aligned with South Africa's governmental development priorities and its role as a provider of bulk potable water and sanitation services. Accordingly, the selection, preparation and presentation of sustainability key performance indicators (KPIs) are guided by applicable legislative, regulatory and sustainability reporting requirements from Department of Water and Sanitation, as well as Rand Water's strategic priorities and mandate
5. Can the definitions of the selected subject matter/ KPIs to be assured be shared?	5. Refer to the response in point 3.
6. Is the data for the subject matter/ KPIs maintained at a site level or at group?	6. The data is primarily maintained at Group level; however, depending on the nature of the activities, certain limited data may be maintained at the respective sites.
7. If data is maintained at a site level - how many sites are there?	7. Rand Water Head Office is situated in Johannesburg South with main operations at Emfuleni Local Municipality - Zuikerbosch/ Vereeniging direct – southern Gauteng and northern Free State (localised), In addition booster pumping stations: • Eikenhof – Western and north-western Johannesburg, the West Rand and greater Rustenburg.

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	• Zwartkopjes – Central Johannesburg and East Rand. • Palmiet – Eastern and northern Johannesburg, large parts of Tshwane, and western portions of Ekurhuleni. • Mapleton – Central and eastern parts of Tshwane and Ekurhuleni and selected close by areas in Mpumalanga.
8. Can a breakdown of the subject matter/ KPI data be shared?	8. Refer to the response in point 3
9. Where will the subject matter/ KPIs be disclosed for reporting - is there a sustainability report?	9. As part of Rand Water Integrated Annual Report
Part B: Other audit-related services "10. Is the intention of this request to perform agreed upon procedures? - this is to note that the outcome is limited assurance"	Part B: Other audit-related services-responses 10. Mostly agreed upon procedures (AUPs) – limited assurance
11. Who are the main stakeholders with interest in the report/outcomes of the review?i.e. who will be provided with the report post the reviews?	11. Rand Water Management, Board and its subcommittees
12 . Is the level of assurance to be given the same for year 1 -5?	12. Ad-hoc basis – as and when required – mostly to be guided by Rand Water Business Requirements, Board and Board Subcommittees
13. Please provide details of the Rand Water Group structure and the subsidiaries.	13.Rand Water (Parent Company), together with its two wholly owned subsidiaries, Rand Water Services (Pty) Ltd (RWS) and Rand Water Foundation NPC (RWF), collectively constitute the Rand Water Group.
14. For each of the entities in the group, do they all have the same financial reporting period?	14. The reporting period is the same for all the entities in the group.
15. Is there a specified period for when the reviews are expected to take place? i.e. specific months that can be ringfenced for the service?	15. Ad-hoc basis – as and when required – mostly to be guided by Rand Water Business Requirements, Board and Board

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	Subcommittees – the engagements are generally limited in scope and infrequent.
Part C: Other audit-related services "16. Other audit-related services listed are very wide and broad and include services which may result in conflict of independence requirements if performed by 1 firm. To enable us to better scope and cost the services that are likely to be required, is it possible to give a view of the type of services that would be required, i.e audit in nature or advisory in nature, limited or full assurance?"	Part C: Other audit-related services-response 16. The scope is intended to provide for Agreed-Upon Procedures (AUP) or/and other independent assurance requirements that may arise from the Business Requirements, Management or Board and its Subcommittees
17. Further to the above question, considering the nature and extent of work that would be required is unknown, it would not be possible to provide an estimate with such limited information. Is it appropriate for the quote to rather provide an hourly rate card that would be applied to cost for execution once the exact nature and scope of work is known?	17. Please refer to estimated hours in Pricing Annexure . The engagements and the work to be performed is relatively limited.
Clarification Questions	Responses
18. Based on the reference letter part (A) wanted to find out if we dont have experience on point 2 &3 but only has experience on point 1(Audit services in public entities) will the rating scale still be 0%?	18. The criteria require experience across all three categories, as this is aligned with the scope of work. If experience in all three categories is not demonstrated, the rating will be 0%.
19. Size of IA team, including CAE .	19. Is 30.
20 Number of audits, per annum, over the last 3 years	20. A. 25/26 (68) B. 24/25 (65) C.23/24 (48)

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21. Number of audit hours, per annum, over the last 3 years	21.A. 25/26 (36550) B. 24/25 (34970) C. 23/24 (34249)
22. Number of audits - if relevant - per annum, co-sourced to external parties, over the last 3 years	22. Is One.
23. Name of service provider who performed the last EQA in 2020	23. Not applicable. However, the EQA was performed.
<u>Sustainability assurance over Rand Water's Sustainability Reporting.</u> 24. Which sustainability key performance indicators (KPIs) that Rand Water report on will be subject to the assurance engagement?	<u>Sustainability assurance over Rand Water's Sustainability Reporting - responses</u> 24. Rand Water is committed to contributing to national and global sustainable development priorities, including South Africa's National Development Plan (NDP) and the United Nations Sustainable Development Goals (SDGs). As a bulk water and sanitation provider, Rand Water makes a direct contribution to SDG 6: Clean Water and Sanitation, which seeks to ensure the availability and sustainable management of water and sanitation for all. Rand Water also contributes indirectly to the following SDGs through its operations, programmes and broader socio-economic and environmental impact: ○ SDG 1: No Poverty ○ SDG 4: Quality Education ○ SDG 5: Gender Equality ○ SDG 8: Decent Work and Economic Growth ○ SDG 10: Reduced Inequalities ○ SDG 12: Responsible Consumption and Production ○ SDG 13: Climate Action

	○ SDG 15: Life on Land The sustainability KPIs are therefore intended to demonstrate Rand Water's contribution to these development priorities and to provide stakeholders with transparent and meaningful information on its environmental, social and governance (ESG) performance. The ultimate objective is to phase in the adoption and application of IFRS Sustainability Disclosure Standards, specifically IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures)
25. Under which sustainability framework(s) will the KPIs per 1.1 above be prepared against?	25. Rand Water's mandate is aligned with South Africa's governmental development priorities and its role as a provider of bulk potable water and sanitation services. Accordingly, the selection, preparation and presentation of sustainability key performance indicators (KPIs) are guided by applicable legislative, regulatory and sustainability reporting requirements from Department of Water and Sanitation, as well as Rand Water's strategic priorities and mandate. Refer to 1.1 Response
26. What level of assurance is required, limited assurance, reasonable assurance or a combination thereof (some KPIs on limited assurance and some KPIs on reasonable assurance)?	26. A limited assurance conclusion on the selected KPIs and the reporting criteria.

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27. Which entities within the Rand Water Group will be included in the sustainability assurance scope?	27. Rand Water as the parent entity
28. For the entities covered in 1.4 above, what are the locations of the sites involved?	28. Rand Water Head Office is situated in Johannesburg South with main operations at Emfuleni Local Municipality - Zuikerbosch/ Vereeniging direct – southern Gauteng and northern Free State (localised), In addition booster pumping stations: • Eikenhof – Western and north-western Johannesburg, the West Rand and greater Rustenburg. • Zwartkopjes – Central Johannesburg and East Rand. • Palmiet – Eastern and northern Johannesburg, large parts of Tshwane, and western portions of Ekurhuleni. • Mapleton – Central and eastern parts of Tshwane and Ekurhuleni, and selected close by areas in Mpumalanga.
29. How many reports will be required?	29. Annually (01)
30. What will be the reporting frequency (e.g. annually, semi-annually, quarterly)?	30. Annually (01).
<u>Interim review of Rand Water Consolidated Interim Financial Statements</u> 31. Interim review of Rand Water Consolidated Interim Financial Statements?	<u>Interim review of Rand Water Consolidated Interim Financial Statements - responses</u> 31. 1 review report for the 6 months ended 31 December.
32. Please whether our review report will be included in the Rand Water Consolidated Interim Financial Statements (CIFS) document to which the review report relates or provided as a separate document accompanying the CIFS?	32. As a separate document accompanying the CIFS.

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33. Will the review include all subsidiaries within the Rand Water Group?	33. Consolidated Group Reporting, the Interim Report is prepared in accordance with the requirements of IAS 34.
34. For the entities covered in 2.3 above, what are the locations of the sites involved?	34. Consolidated Group Reporting, the Interim Report is prepared in accordance with the requirements of IAS 34.
35. Are there any additional reporting, presentations or Audit and Risk Committee attendance requirements associated with the interim review?	35. Interim Review Plan, Management Report and independent review report presentations to key Rand Water governance structures include attendance of meetings.
36. Will reviews be required over other interim periods besides the 31 December period?	36. Only 31 December Period.
37. Will we have access to the incumbent interim reviewer to gather review evidence over the comparative information (previous financial year)?	37. This is subject to the previous reviewer agreeing to the request
38. Are there specific JSE Debt Listing Requirements applicable to the interim reporting process that we will need to incorporate into our scope?	38. Normal JSE Debt and Specialist Securities Listings Requirements. Nothing specific to Rand Water.
39. Are there any anticipated accounting policy changes, or significant transactions expected during the contract period that bidders should consider?	39. No changes are anticipated at this time.
<u>Given that the AGSA is the statutory auditor, please clarify:</u>	<u>Given that the AGSA is the statutory auditor, please clarify:</u>
40. Whether the AGSA will rely on the successful bidder's interim review work as part of their year-end audit?	40. No specific reliance is placed on the work performed by the bidder. AGSA may request the report planning purposes.
41. Whether the AGSA is expected to perform any oversight or quality review over this engagement	41. There is no oversight or quality review over this engagement from AGSA.

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42. Has AGSA prescribed any specific procedures or reporting requirements relating to interim reviews?	42. There are no specific procedures requirements from the AGSA at this time.
<u>Other audit-related services</u> 43. Can Rand Water provide examples of the audit-related services procured under this category during the previous contract period to better understand an indicative schedule of anticipated engagements, including frequency, locations and timing?	<u>Other audit-related services - responses</u> 43. The scope is intended to provide for Agreed-Upon Procedures (AUP) or/and other independent assurance requirements that may arise from the Business Requirements, Management or Board and its Subcommittees.
44. If this section of work is to be on an ad hoc basis (i.e. if applicable and where needed as referred to in the bid document), will additional assignments under this category be awarded through mini-tenders or through agreed hourly rates under the framework contract?	44. Through agreed hourly rates under the contract.
<u>General</u> 45. Are the estimated hours in Annexure C2 mandatory bidding assumptions, indicative Rand Water estimates, or editable bidder estimates?	<u>General - response</u> 45. The estimated hours provided are for guidance and can be amended as required.