

CONSTRUCTION, OPERATIONS AND MAINTENANCE OF THE POLOKWANE REGIONAL WASTEWATER TREATMENT WORKS (PRWWTW): PHASE 2B

Clarification Response 3

Tuesday, 11th August 2026

We have received the following questions, with responses included after each.

1. With regard to your Clarification Response 2 Question 5, this implies that the O&M Contractor must enter into a Consortium or Joint Venture as the O&M experience contributes to the functionality scoring. This places the O&M Contractor under joint and several liability with the Consortium or JV and is therefore unnecessarily exposed to the Design and Construction risks, delay penalties, etc. during the construction period. We kindly request that you reconsider this requirement and allow the O&M Contractor to be a Sub-Contractor to the main bidder.

Response: The Client notes the bidder's concerns regarding risk exposure; however, the requirement stands as stated previously in Clarification Number 2.

Experience and capacity sub-criteria utilised for functionality scoring must reside within the bidding entity itself—either as a single corporate entity or through the members of a formal Consortium or Joint Venture (JV). Subcontractors cannot be utilised to satisfy functionality scoring requirements for the following reasons:

Contractual Recourse and Risk Mitigation: Unlike formal Consortium or JV partners, subcontractors are not parties to the primary contract with the Client and are not subject to joint and several liability. Consequently, the Client lacks direct contractual mechanisms to enforce performance or prevent substitution post-award.

Operational Continuity: If a critical subcontractor withdraws from the project after contract award, it creates a severe capacity gap that exposes the Client to delivery risks. Restricting functionality scoring to the primary JV/Consortium members ensures that the entities evaluated for technical competence remain contractually bound to deliver the project.

Please note that the minimum qualification threshold for functionality is set at 80 out of 100 points. This provides bidders with flexibility across various scoring categories. Bidders who do not meet the minimum experience requirements independently are encouraged to optimise their scores within other functional areas to achieve the 80-point threshold, or alternatively, establish a formal Joint Venture or Consortium framework to legally aggregate their qualifications.

2. The tender document states a minimum value of R350 million. Please confirm whether this threshold applies per project, or to the combined value of all four projects.

Response: The minimum threshold of R350 million applies per individual project. To secure the maximum points under the Civil Engineering-related experience evaluation category, bidders must

demonstrate a minimum of four (4) separate projects, each with a minimum value of R350 million.

Special Condition for Phased Projects: Where a single project was executed in multiple distinct phases, the aggregated or combined value of those phases may be used to meet the R350 million threshold. In such instances, the combined phases will be evaluated and counted as one (1) single project.

3. The circular advises that we treat the tender document as originally issued, with the addendums attached at the back. However, the addendums include revised BOQ pages, which raises the following concerns: (1) Should pricing be based on the original quantities, or the quantities reflected in the addendums? (2) If the addendum quantities are to be used, please advise how these should be carried through to the summary page, given that the addendums are to remain attached at the back rather than incorporated into the main document. We would appreciate your guidance on both points so that we can finalise our submission accurately.

Response: **Applicable Quantities for Pricing:** Bidders must base their pricing strictly on the revised quantities set out in the issued Addenda. The original, unrevised Bill of Quantities (BOQ) pages superseded by the Addenda must not be used for final pricing.

Submission Mechanics and BOQ Summary Integration: To maintain document integrity and prevent page-numbering discrepancies during evaluation, the main tender document structure must remain unchanged. Bidders are instructed to comply with the following assembly protocol:

- (a) **Completion of Main Document:** Complete and sign the original tender document and its data sheets, as issued on the e-Tender Portal. Transfer the final calculated figures and subtotals directly from the revised Addenda BOQ pages to the main BOQ Summary Page. The summary page can be completed accurately regardless of the physical placement of the underlying detail pages.
- (b) **Attachment of Addenda:** Bind all issued Addenda and associated drawings securely to the back of the original tender document
- (c) **Signing and Initialling:** Every page of the attached Addenda must be signed, initialled, and correctly marked by the authorised signatory. Failure to return, sign, and initial all issued Addenda and drawings will result in the bid being considered as non-responsive and incomplete.

4. You have stated that it is applicable to escalate O&M projects at 7.5%, however you have stated elsewhere that this is only applicable to staffing. We request that you allow an escalation factor of 7.5% annually to all experience including Civil, M&E, and O&M. We have reached out to the whole market and have been unable to find Mechanical or Electrical projects that meet the requirement without escalating. There are therefore very limited no of projects within South Africa that can be used, which will result in very limited tender submissions. Please re-consider allowing escalation as per all other similar tenders.

Response: The request is approved. To ensure an equitable evaluation that reflects current economic realities, the Client allows historical project values across all three core technical categories—Civil Engineering, Mechanical & Electrical (M&E), and Operations & Maintenance (O&M)—to be escalated at a flat rate of 7.5% per annum. This standardised escalation methodology is justified based on the following evaluation principles: (1) Inflation and Currency Adjustment: Project values executed up to 15 years ago have experienced nominal value erosion due to cumulative local inflation and currency devaluation, (2) Real Purchasing Power Evaluation: Escalating past values converts historical figures into contemporary market equivalents, reflecting what those exact works would cost to execute in the current economic landscape, (3) Bid Consistency: Standardizing the firm-level experience escalation rate at 7.5% aligns it directly with the 7.5% escalation rate applied to CV personal experience, establishing a uniform evaluation framework.

Escalation Calculation Protocol: Bidders must calculate cumulative escalation using the standard compound interest formula:

$$\text{Escalated Amount} = \text{Original Amount} \times (1+r)^n$$

Where: r = Annual escalation rate (0.075 or 7.5%), n = Number of full years elapsed from the date of the Practical Completion Certificate (or completion document) to the tender closing date.

Bidders must attach all primary verification documents (e.g., Appointment Letters, Completion Certificates, Handover Certificates) that explicitly show the original project amount and the exact completion date. Projections without verifiable source documentation will be discounted during adjudication.

5. Please provide a precise definition of the scope covered under "Related Projects."

Response: The term "Related Projects" refers strictly to bulk water and wastewater infrastructure. To ensure clarity and objective evaluation, the specific technical inclusions and exclusions governing this definition are detailed below:

Inclusions (Qualifying Scope):

- (a) Bulk Treatment Infrastructure: Bulk water treatment works (WTW) and wastewater treatment works (WWTW).
- (b) Pumping Systems: Dedicated water and wastewater pump stations.
- (c) Storage Facilities: Bulk storage reservoirs and water towers.
- (d) Conveyance Pipelines: Outfall gravity sewers and bulk water/wastewater transmission pipelines.

Exclusions (Non-Qualifying Scope)

- (a) Reticulation Networks: Localised municipal water distribution networks or household-level sewer connections.

- (b) Minor Works: Internal plumbing, tertiary pipelines, and localised on-site sanitation systems.

To qualify for evaluation and technical scoring, all submitted project experience must satisfy the following strict compliance benchmarks:

- (a) Financial Threshold Compliance: The final value of the project—calculated using the approved 7.5% annual compound escalation formula—must equal or exceed the minimum financial threshold specified in the tender data.
- (b) Mandatory Evidentiary Documentation: Bidders must submit a complete verification trail for each project. This comprises the Official Letter of Appointment, a Client Reference Letter, and the Practical Completion Certificate.
- (c) Explicit Scope Substantiation: The submitted evidentiary documentation must explicitly verify that the scope of works executed consisted of bulk services and not localised reticulation. Ambiguous project descriptions will result in the project being excluded from scoring.

Important Notice and Closing Remarks:

1. **Mandatory Return of Addenda:** Bidders are strictly reminded that every page of all issued Addenda, including associated drawings and revised Bill of Quantities (BOQ) pages, must be signed, initialled, and securely attached to the back of the original tender submission. Failure to return fully signed and initialled Addenda will result in the bid being disqualified as non-responsive and incomplete.
2. **Final Issuance of Clarifications:** Please be advised that this document constitutes the final tender clarification response for this procurement process. In accordance with the terms stated in the previous addendum, no further clarification questions or queries will be entertained by the Client between now and the official tender closing date and time.

Bidders are instructed to finalise their submissions based strictly on the comprehensive information, rules, and formulas provided across all official responses issued to date.