Entering the public water sector market

GreenCape

A reference guide for water and wastewater businesses and investors to start or grow their public sector market share: From understanding the water sector, and procurement legislation, models and requirements, to targeting project roles and finding partners.

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Economic Development and Tourism

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1 Introduction

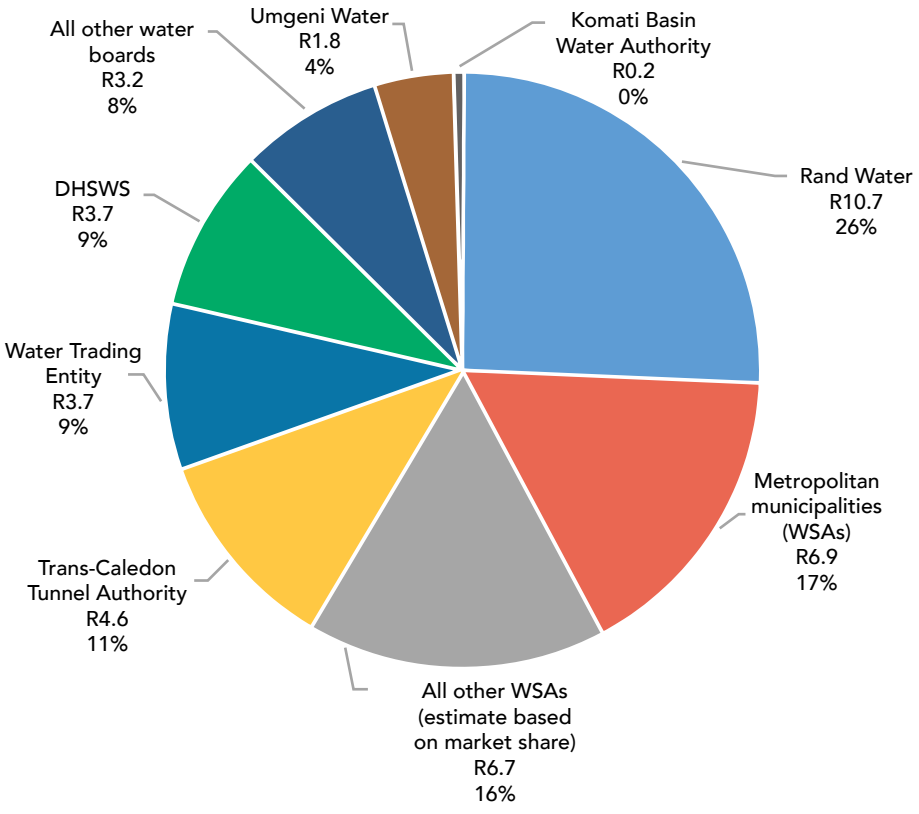
Water is a public resource that is managed by the government in South Africa. The Department of Human Settlements, Water and Sanitation (DHSWS) authorises the extraction of raw (untreated) water from rivers, lakes, boreholes, dams, springs and canals by water boards, water services authorities (WSAs), and industrial and agricultural consumers. Water boards, WSAs (usually local, district or metropolitan municipalities), or their designated water services providers (WSPs), then treat and supply water to municipal, commercial, industrial and domestic users, as well as collect and treat the associated wastewater. Some agricultural, industrial and commercial water users incorporate private water abstraction and treatment, and wastewater treatment plants, but the majority of the water and wastewater services market falls within the public water sector.

In South Africa, the public water sector is the largest water market segment, with R 41.5 billion spent on the procurement of infrastructure in the 2019/2020 financial year (Figure 1).

Therefore, this brief aims to guide businesses, which provide water and wastewater technologies, consumables and services, as well as financiers and investors, through the typical steps of entering the public water sector market, including:

- Understanding the public water sector structure
- Finding a role for each type of business in a typical project lifecycle
- Understanding the relevant public procurement legislation, models, contracts and bidding requirements in preparation for bidding on public tenders
- Where to find a partner to bid with and how to secure a constructive partnership
- Approaches for demonstrating or trialling a technology.[1]

Figure 1: Goods and services expenditure for 2019/2020 per public water sector entity (National Treasury, 2020)



1) While every effort has been taken to ensure the information provided herein was accurate at the time of publication (April 2021), GreenCape cannot be held responsible for any inaccuracies.

2 Public water sector overview

Table 1 provides an overview of the South African public water sector entities who are involved in the infrastructure market. The DHSWS, state-owned and multi-national entities (see Table 1), and designated water boards manage the licensing of access to specified volumes of the country's raw water.

Other decentralised bodies, such as Catchment Management Agencies (CMAs) and Water Management Areas (WMAs), also feature in the management of water resources in a catchment(s), including licensing and planning, but do not procure infrastructure directly.

The DHSWS, state-owned and multi-national entities, and water boards represent the largest market segment for bulk water supply infrastructure procurement, including dams, boreholes, bulk pipelines and pump stations, and canals.

Some WSAs, such as the City of Cape Town (CCT), abstract additional raw water from their own sources, such as boreholes in the Elgin Valley and dams on top of Table Mountain, for inclusion in their water supply system, thereby also featuring in the development of bulk water infrastructure.

WSAs, some water boards that supply potable water, WSPs and WSIs[2] treat raw water to potable standards for direct sales to the public. WSAs, water boards, WSPs and WSIs lead the water and wastewater treatment, and distribution or collection network markets.

Services such as consulting, maintenance, operations assistance, supply of consumables, etc. are procured by all parties of the governance structure. An understanding of these roles can assist businesses with finding and targeting projects that suit their offering.

Table 1: Infrastructure responsibilities of South Africa's public water sector entities (GreenCape, 2021)

	Bulk water services	Water supply services	Wastewater services
Description	The collection, abstraction, storage and transfer of raw water (incl. surface, ground or sea water)	Treatment, distribution and sale of potable water to users	The collection, treatment, discharge and/or reuse of wastewater from water users
Key public entities responsible for the services	• National Department of Human Settlements, Water and Sanitation • State owned and multi-national entities: o The Komati Basin Water Authority o Trans-Caledon Tunnel Authority o Water Trading Entity • Water Boards • Some WSAs/WSPs may also abstract local raw water resources	• Water Services Authorities • Water Boards • Water services providers • Water services intermediaries[2]	• Water Services Authorities • Water Boards • Water services providers • Water services intermediaries[2]
Examples of infrastructure or services procured	Dams, boreholes, bulk pipelines and pump stations, canals, bulk metering and associated services	Water treatment, distribution (pipelines and pump stations), metering technologies and associated services	Wastewater collection (pipelines and pump stations), treatment, discharge and/or reuse, metering technologies and associated services

2) Water services intermediaries (WSIs) are public or private entities that provide water services, but not as their primary function, such as a mine, farm or the South African National Defence Force (SANDF), who supply potable water to their staff living on-site and treat their wastewater. WSPs can be from the public or private sector, but are usually other WSAs or water boards because a private sector provider may only be contracted after all known public sector providers who are willing and able to perform the functions have been considered.

3 Typical project lifecycle

Once a category of services suited to the business' offering has been identified, it is important to understand what role the business will play within the project lifecycle. Consider the typical water infrastructure project lifecycle depicted in Table 2, which shows the interactions and contractual agreements between key parties.

Note that this project lifecycle example is of a design-bid-build procurement model (see Section 4.3), which is the most commonly used procurement model in the public sector for infrastructure. While other procurement models are described in Section 4.3, they are rarely implemented.

Table 2: Typical water infrastructure project lifecycle with associated phases, roles and agreements

Lifecycle phase	Responsible party	Steps in a typical project lifecycle	Sub-contracting
Origination	Public entity (e.g. WSA, water board, WSP)	Identify infrastructure need	-
		Draft terms of reference to appoint consultant	-
		Tender process to procure consultant services	-
		Appointment of consultant(s)	-
Design and development	Consultant	Conceptual design, options analysis, feasibility study and preliminary to detailed design	May require sub-contracting of specialist and field studies to **service providers, contractors or consultants**
		Draft specifications (includes enquiring to determine the availability of technologies, consumables and services, e.g. only specific pipe diameters are manufactured)	No sub-contracting agreement, but it is in the interest of technology **suppliers and service providers** to provide specification information to assist consultants with determining availability.
	Public entity	Approval of tender documents	-
		Tender process to procure construction and/or installation services	Contractors to establish provisional agreements with **suppliers** in order to secure competitive bid prices. Contractors may also establish provisional agreements with **service providers or contractors**, if required.
		Appointment of contractor(s) for construction and/or installation	-
Construction and installation	Contractor	Construction and/or installation (includes detailed design of mechanical, electrical and electronic installations)	May require sub-contracting aspects to **service providers or contractors.** Will require agreements with **suppliers.**
	Consultant	Construction and/or installation supervision	-
	Contractor	Training provided to public entity staff on operation and maintenance of new infrastructure	May require sub-contracting to **service providers.**
	Contractor	Defects liability period during which the contractor is still responsible for the maintenance/correction of equipment and construction defects	May require sub-contracting aspects to **service providers or contractors**, or claiming from **suppliers.**
	Consultant	Close-out reporting and as-built drawings	-
Operation and maintenance	Public entity	Operation and maintenance of infrastructure	May be sub-contracted to **service providers or contractors** via service level agreements.
		Tender processes to procure the supply of goods or services for operations and maintenance (e.g. consumable chemicals or sludge disposal services for 1 to 3 years; or a once-off pump bearing replacement service)	In-house operations and maintenance will require procurement of spares/replacements, consumables and maintenance services from **suppliers, service providers or contractors.**
		Multiple appointments of suppliers, service providers or contractors for operations and maintenance	-

In Table 2, the key contracting entities have been shown in the first column, including the public entity, and the consultant(s) and contractor(s) who are appointed directly by the public entity. In contrast, the last column identifies numerous occasions in the project lifecycle for businesses in the water sector to be involved in a water infrastructure project. For example, a supplier could consider contractors as clients, rather than public entities. As a supplier it is also important to advertise to consultants because they act as specialist advisors to public entities, and design and specify terms for infrastructure. Only once the equipment that your business supplies has been installed (potentially by another supplier), may opportunities arise to contract directly with a public entity to supply consumables or spares, or provide maintenance services.

If this section confirms that a business is suited to contracting directly with public entities, Section 4 will assist with what is required for bidding. Otherwise, entering the public water sector requires partnerships with other businesses who are in a position to bid on public tenders, like the supplier agreement with the contractor in the example in Table 2. For a guide to partnering, refer to Section 5. Approaches to demonstrating or trialling a technology are not covered by the typical project lifecycle above, but discussed in Section 6.

4 Bidding in the public water sector

4.1 Public procurement legislation

The implementation of any infrastructure in the public water sector will require public procurement processes. The principles of public procurement are set out in Section 217 of the Constitution of the Republic of South Africa, 1996, which requires organs of state to contract for goods or services in a "fair, equitable, transparent, competitive and cost effective" manner. These principles are actioned by:

- the Public Finance Management Act 1 of 1999 (PFMA), and its Framework for Supply Chain Management (Government Notice R. 1734 of Gazette 25767 of 5 December 2003);

- the Local Government: Municipal Finance Management 56 of 2003 (MFMA), and its regulations, most pertinently the Municipal Supply Chain Management Regulations (Government Notice No. 868 of Gazette 27636 of 01 July 2005); and

- the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA), and its Regulations (Government Notice R. 32 of Gazette 40553 of 20 January 2017).

For a comprehensive guide to the legislation that governs public procurement, refer to this link.

Looking more specifically at public procurement in the water sector, one must also consult:

- the Water Services Act 108 of 1997, which enables the roles and responsibilities of the governance structure in the water sector as described in Section 2; and

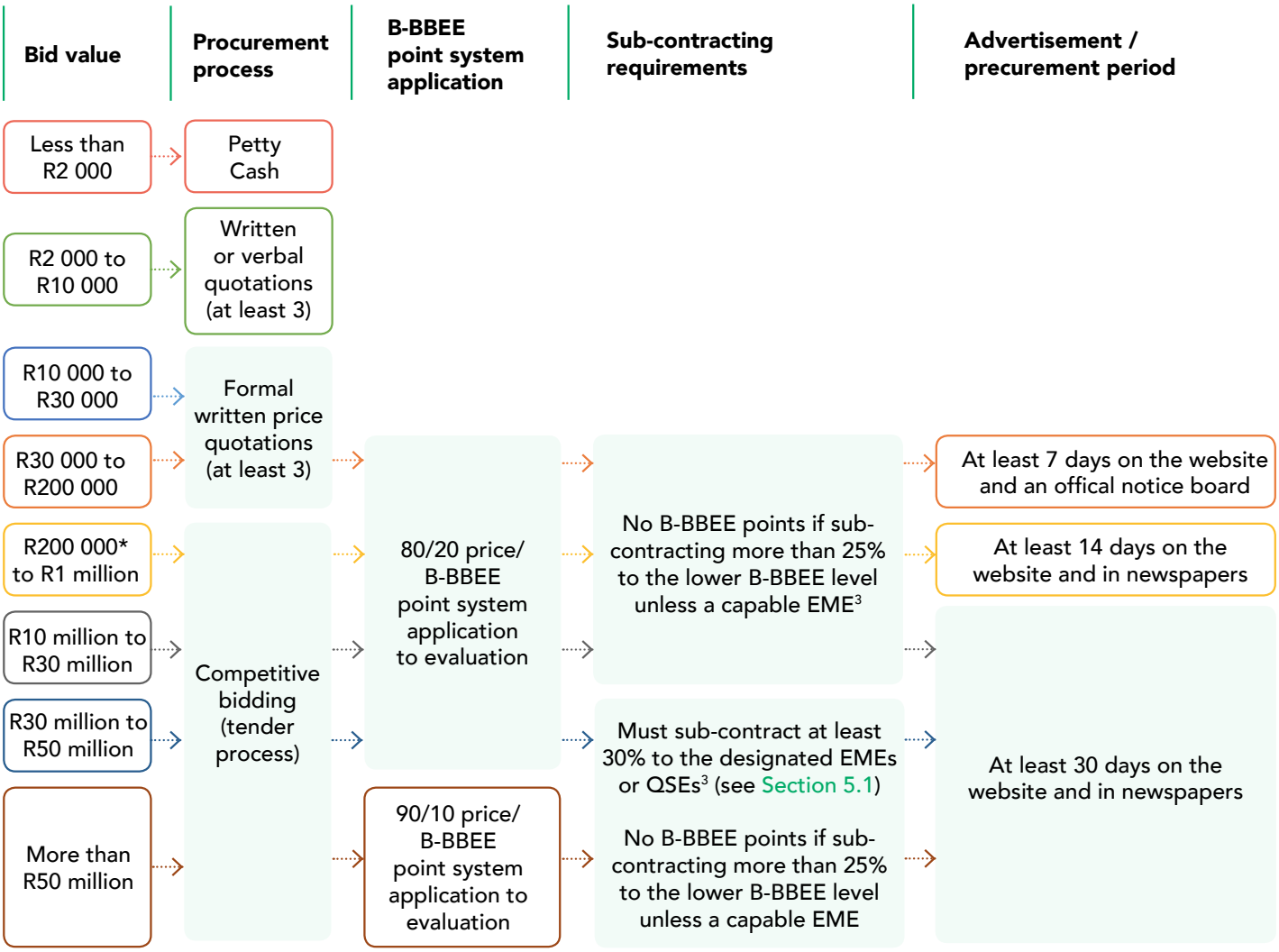
- the Municipal Systems Act 32 of 2000, which places the responsibility of providing water and wastewater services on local governments, who are designated WSAs, and allows each municipality to set specific procedures that need to be taken when applying the procurement policies above, as set out in each municipality's Supply Chain Management Policy.

4.2 Types of procurement processes

The procurement process applicable per project is dependent on the market related value of the bid including value added tax (VAT). These threshold values are stipulated in the Municipal Supply Chain Management Regulations (as amended in 2017) for municipalities and in the National Treasury Practice Note No. 8 of 2007/2008 for other public entities, but each municipality or public entity may enforce lower thresholds in their Supply Chain Management Policy. There are no threshold values for contracts of duration longer than 1 year, which must all follow a tender process. Figure 2 summarizes the threshold values, the associated applicable procurement processes and pertinent details relating to the Broad-Based Black Economic Empowerment (B-BBEE) points system, and tender advertisement duration and location.

Public procurement processes are evaluated by first passing bids through the functionality assessment (technical and financial competence criteria) and thereafter scored based on the bid price and the bidding business' B-BBEE level. The price to B-BBEE ratio is 80/20 for bids of up to R 50 million, and 90/10 for bids above R 50 million. Therefore, in order to do business with public entities, a business must comply with B-BBEE legislation. Refer to this information sheet on incorporating B-BBEE into your business and this template of the Preference Points Claim Form for details on the public procurement price/B-BBEE scoring systems.

Figure 2: Procurement processes according to bid value including VAT (EthicsSA 2015, updated by GreenCape 2021)



* This threshold is R 200 000 for municipalities (most WSAs), but R 500 000 for all other public entities (e.g. water boards, provincial and national departments)

3) EME: Any enterprise with an annual Total Revenue of R10 Million or less qualifies as an Exempted Micro-Enterprise. QSE: A Measured Entity (B-BBEE audited) with an annual Total Revenue of between R10 million and R50 million qualifies as a Qualifying Small Enterprise.WSPs can be from the public or private sector, but are usually other WSAs or water boards because a private sector provider may only be contracted after all known public sector providers who are willing and able to perform the functions have been considered.

Adjustments to these threshold values have been proposed in an amendment (Government Notice No. 1095 of Gazette 43810 of 16 October 2020) to the Municipal Supply Chain Management Regulations, which is out for public comment. Once enacted, local municipalities will only require a tender process for bids from R 300 000 and metropolitan municipalities from R 700 000, both including VAT. However, district municipalities will not receive an increase in their R 200 000 threshold. Each municipality will still be able to enforce lower thresholds via their Supply Chain Management Policy.

Unsolicited proposals are not recommended as public entities are not obliged to consider them and therefore may incur irrecoverable cost. The proposal may only be considered if the project has a clear business case identified by a feasibility study, and the product or service is innovative in its design or approach to project development and management, or presents a new and cost-effective method of service delivery. If the proposal is accepted, the public entity is still obliged to test the market for similar products or services via a procurement process. Further guidance on the requirements of unsolicited proposals and the subsequent procurement processes can be found in the National Treasury Practice Note No. 11 of 2008/2009 or this summary.

4.3 Procurement models

The conventionally used infrastructure procurement model in the public sector is a design-bid-build model (DBB). In this model, the public entity enters into separate contracts with design consultants and construction contractors, as depicted in Table 2. The contractor takes little risk, as the design is completed by consultants prior to the construction tender. The majority of the risk is taken by the public entity, who will be liable for any costs and delays incurred by the contractor, unless penalty clauses are included in the contract to transfer liability to the contractor.

In a similar model, called design-build (DB), the public entity enters into a single contract, where the contractor is responsible for both the design and construction of a project. A performance specification must be carefully developed by the public entity, or an appointed owner's engineer/ agent, in order to achieve the needs of the project. The public entity still assumes the majority of the risk, however, the contractor takes accountability for any design inconsistencies and constructability errors. It is the norm to apply this DB model for the mechanical, electrical and electronic installation portion of an infrastructure project, while the civil construction portion applies a DBB model.

The DB model is also known as the engineering, procurement and construction (EPC) or turnkey model, but there are slight differences. The DB model generally offers more detailed specifications that may include partial designs, while the EPC/ turnkey models are limited to performance specifications only. The engineering, procurement and construction management (EPCM) model, however, is closer to a DBB model with the public entity at the centre, contracting separately with multiple suppliers, contractors and service providers, while the EPCM contractor manages all the stakeholders.

Figure 3 summarizes some of the more common procurement models among the many that exist. Public-private-partnerships (PPPs) vary from management or performance-based contracts, which are focussed on private operation and maintenance, to concessions where the construction and financing of the infrastructure is also part of the contractor's responsibility and risk. PPPs are supported by a comprehensive legislative framework and guidelines in South Africa, however, they are very rare in practice in public infrastructure, especially in the water sector. The key reasons include a lack of technical capacity within the public entities; the high upfront planning costs and long duration before construction commences (due to the framework requirements of approval from National Treasury), and the associated risk that approval may not be granted or reliable recovery of costs by the private party cannot be guaranteed. For a detailed explanation of PPPs in the South African context and the associated legislation and frameworks refer to this paper and this report, which focusses on water reuse PPPs.

Privatisation of water services faces the same challenges as PPPs in terms of lengthy legislation processes, risk of disapproval or lack of revenue collection and lack of technical capacity, as well as political pressure. Water services are considered a public function of a municipality (designated WSA), that is politically voted into power. Therefore, if a municipality tries to privatise a public service, it may face a loss of political support due to potentially higher tariffs and/or a reduction in public jobs available to the community.

Figure 3: Summary of procurement models and associated risks (PPIAF, 2009)[4]

RESPONSIBILITY MATRIX FOR CONVENTIONAL PROCUREMENT AND PPP OPTIONS							
			Public-Private Partnership				
Category	**Works and Service Contracts (conventional procurement)**		**Management and Maintenance Contracts**		**Operation and Maintenance Concessions**	**Build Operate Transfer Concessions**	**Privatization**
Type	Design, bid, build	Design and Build	Mgmt Contracts	Performance Based Contracts	Lease or Franchise or Affermage *Brownfield*	BOT/DBFO/BOO *Greenfield*	
Design	Private by fee contract	Private by fee contract	-	-	-	Private by concession contract	Private
Build	Private by fee contract		-	-	-		
Operation & Maintenance	Public	Public	Private by fee contract	Private by BBC contract	Private by concession contract		
Finance	Public	Public	Public	Public			
Own	Public	Public	Public	Public	Public	Public after contract (BOT/DBFO) or Private (BOO)	

Innovative financing models are being developed to assist with the implementation of private sector-financed procurement models. The Development Bank of South Africa (DBSA) is one of the financial institutions that is developing various infrastructure financing models, including:

• The private sector participation model, an interventionist model to allow private sector participation in the provision of municipal water and sanitation services.

• The bulk infrastructure financing mechanism called Vumela, which aims to ring-fence a small portion of a municipality's annual grant funding as a guaranteed repayment to an infrastructure loan to support municipalities who may not otherwise be eligible for such loans.

• The municipal water (effluent) reuse programme, a blended finance and a national preparation technical support centre programme for water reclamation.

• The non-revenue water programme, a water conservation, water demand management, cost recovery and a national preparation technical support centre programme for the reduction of water losses and improved revenue recovery.

• The off-grid sanitation programme, for the provision of alternative and innovative sanitation technology via pilot projects to test various alternative and innovative commercial models.

• The community / rural water supply initiative, which aims to develop community owned and managed solutions for the provision of good quality water to poor rural and peri-urban communities.

• And programmes are being considered / conceptualized for groundwater, desalination, acid mine drainage and independent water production.

4) These procurement model names indicate the responsibilities of the contractor/private party. BOT: Build-Operate-Transfer, which is equivalent to DBFO: Design-Build-Finance-Operate and BOOT: Build-Own-Operate-Transfer. In a BTO: Build-Transfer-Operate, the ownership is transferred to the public entity after construction, but operations are still the responsibility of the contractor/private entity. BOO: Build-Own-Operate.

4.4 Types of contracting conditions

National Treasury's General Conditions of Contract are applicable to all public procurement contracts.

However, in infrastructure construction and installation, the Construction Industry Development Board (cidb) sets the Standard for Uniformity in Construction Procurement, which allows a choice of the following forms of contract to be used by the public sector:

- FIDIC (French initials for International Federation of Consulting Engineers) (1999) Short contract and Red (DBB model), Yellow (DB model) and Silver (EPC/turnkey) Books

- General Conditions of Contract for Construction (2004)

- The Joint Building Contracts Committee (JBCC series 2000) (Principal Building Agreement and Minor Workers Agreement)

- New Engineering Contract (NEC) (Engineering and Construction Contract and Engineering and Construction Short Contract)

The cidb also provide Standard Conditions of Tender, which is used as a basis for infrastructure construction and installation public tenders.

4.5 Bidding requirements

This section provides a list of key requirements for bidding, but this list is not exhaustive. Refer to Section 4.1 for a comprehensive legislation guide, the standard bidding document templates published by National Treasury and this link for detailed guides on a variety of topics relating to bidding.

a. Register on the Central Supplier Database and on the relevant municipality's supplier database. The purpose is to pre-accredit registered service providers to ensure they are legitimate businesses and to know what each business can do. Businesses must register on these lists if they wish to be contacted for quotes or to bid on tenders.

b. To find a tender, businesses must search the government tender portal or subscribe to a service provider that will monitor the portal for tenders that are relevant to them.

c. A bidder, even if part of a consortium, must submit the following as standard minimum documents:

- Full name
- Identification number or company or other registration number
- Tax reference number, VAT registration number (if any) and a tax clearance certificate from the South African Revenue Service (SARS)
- A B-BBEE Certificate from a registered B-BBEE audit firm (see Section 4.2)
- Disclose whether they have been in the service of the state in the previous 12 months.

d. The bidder must also submit a tender / proposal in a response to the bid specifications or terms of reference that is inclusive of VAT before the bid closing date and time.

e. Consult the relevant municipality's Supply Chain Management Policy for municipality specific procedures, bidding requirements and thresholds.

f. See Section 5.1 for more.

4.6 Tips for bidding

Some of the most important steps in being successful in public procurement are not requirements and often go unwritten. The following considerations are recommended when bidding in the public water sector:

- Check the functionality criteria and ensure that you can score the minimum to meet the functionality criteria, else there is no point in bidding.

- Be financially sound before bidding.

- Complete the bid in the given format, complete all forms in their entirety and ensure that all the requirements are covered in your bid.

- Stay for the bid opening, if it is opened in public, to ensure your bid is received and counted as part of the bidding process. This also allows for gauging your chances of winning the bid, as the price and bidding entity of each bid are read out.

- Refer to this link for more.

5 Partnering to enter the public water sector

The majority of the water sector businesses do not contract directly with public entities, but rather in partnership with or via sub-contracting to other businesses who meet all the criteria for bidding on public tenders. Therefore, partnerships with other private sector businesses can be the best way to enter the public water sector market.

5.1 Legislation that supports partnerships

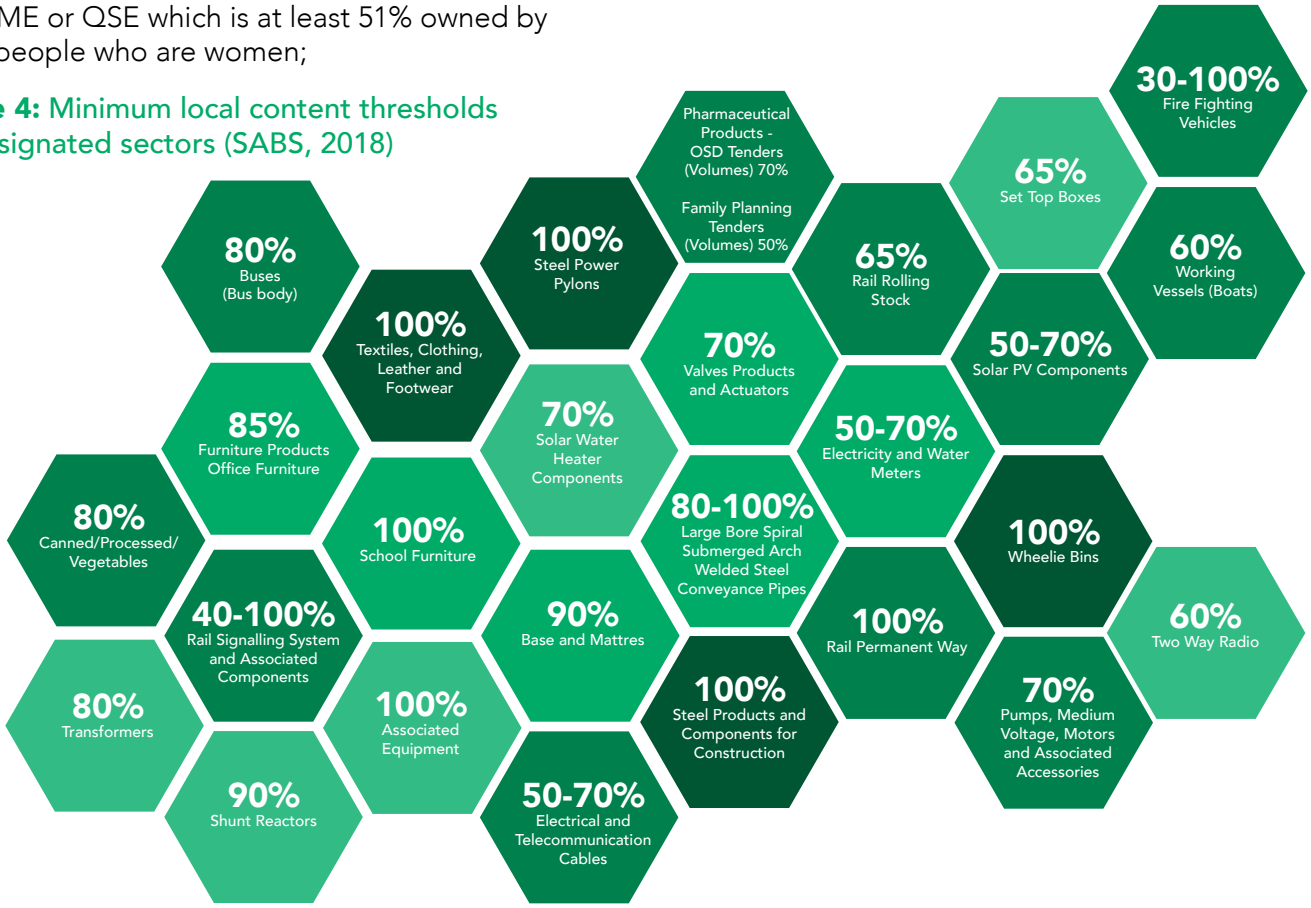
Certain aspects of the bidding requirements promote partnering with local businesses.

a. The PPPFA Regulations impose a minimum of 30% subcontracting requirement on all tenders above R 30 million, provided that the subcontracting to one or more of the following qualifying entities is feasible (a public entity will select one or more of the following as criteria for a bid, if feasible):

- an Exempted Micro Enterprise (EME) or Qualifying Small Enterprise (QSE);
- an EME or QSE which is at least 51% owned by black people;
- an EME or QSE which is at least 51% owned by black people who are youth;
- an EME or QSE which is at least 51% owned by black people who are women;
- an EME or QSE which is at least 51% owned by black people with disabilities;
- an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
- a co-operative which is at least 51% owned by black people; or
- an EME or QSE which is at least 51% owned by black people who are military veterans.

b. There are minimum local content threshold requirements as shown in Figure 4, which have been set for the specific sectors listed and additional requirements may be set per bid, as per the PPPFA Regulations. The thresholds indicate the minimum percentage of a contract value in a sector which must be procured within South Africa. For example, if R 20 000 was budgeted for furniture, 85% (or more) of R 20 000 = R17 000 should be spent on furniture supplied by South African entities and no more than 15% may be spent on imported furniture. A guidance document has been published by the Department of Trade and Industry (now Department of Trade, Industry and Competition, dtic) to assist with the calculations involved in proving compliance with local content legislation requirements.

Figure 4: Minimum local content thresholds for designated sectors (SABS, 2018)



5.2 Partnership recommendations

Table 3 provides recommendations of who to partner with, specific to your business type. Table 4 elaborates on how to find these potential partners.

Table 3: Potential partners according to business type

Business type	Potential partners
Consulting	Consultants
Consulting	Contractors
Supply (e.g. pipe manufacturer, technology manufacturer, chemical supplier, etc.)	Contractors, sub-contractors and service providers
Service providing	Contractors, sub-contractors, suppliers and consultants

Table 4: Where to find potential partners according to partner type

Partner type	Where to find this partner
Consultants	Consulting Engineers South Africa (CESA) online directory
	South African Council for Natural Scientific Professions (SACNASP) online directory
	South African Council for the Architectural Profession (SACAP) online directory
	South African Geomatics Council (SAGC) online directory
	Environmental Assessment Practitioners Association of South Africa (EAPASA) online directory
	South African Council for the Quantity Surveying Profession (SACQSP) online directory
Contractors and sub-contractors	cidb register of contractors
Suppliers	Western Cape Government's green water businesses database
Service providers	Western Cape Government's green water businesses database

If you need assistance with finding partners, GreenCape's green business support services directory can help you find matchmaking services, amongst a range of other business support services.

5.3 Tips for partnering

A reminder of important considerations when forming an agreement with a partner:

- Ensure the metrics are measurable
- Agree on clear timelines of deliverables
- Include payment terms and procedures in the case of non-payment
- Include procedures for breach of contract or non-performance
- Put the agreement in writing
- Treat each other with respect.

For more, refer to the cidb Rights, Responsibilities and Risks guide at this link.

6 Approaches to demonstrating or trialing technologies

There is no method prescribed by policies for approaching a public sector entity with a technology for trialling or demonstrating. However, some of the programmes below exist to assist the piloting process. It is also important to be cognisant of the legislation that governs public procurement, as discussed in Sections 3 and 4, because public entities cannot enter into a contract with an approaching technology demonstration provider unless the prescribed procurement procedures are followed. Where the demonstration facility is not procured and leaves no post-trial ownership or operation and maintenance burden, a public entity may provide the space and opportunity for a technology demonstration as a research facility via a memorandum of understanding, but the technology provider will be without the guarantee of full scale procurement upon successful demonstration. Therefore, municipalities are often reluctant to pilot innovative technologies. However, there are programmes in place to help support the trialling and demonstration of innovative solutions, including:

- The South African Local Government Association (SALGA) in partnership with the Water Research Commission (WRC) has launched the Water Technology and Innovation Forum. The Forum will provide a collaborative platform for municipal partners to share their innovation needs and mobilise partnerships to jointly conceptualise programmes, projects, and funding.

- The WRC's Water Technologies Development Programme (WADER) published a database of technology test bed facilities, which can be contacted to propose technology demonstrations. WADER also offers matchmaking services, demonstration funding, independent validation and technology advisory services.

- The National Technology Innovation Agency (TIA) has an objective of stimulating and intensifying technological innovation and regularly calls for innovative water technologies to seed fund.

- The WRC also lists all of these current opportunities on their opportunities webpage.

- The City of Cape Town has a New Technology Platform to gain an understanding of innovative water technologies in the market. It gives companies the opportunity to present their products and services to government in a fair manner. For information on how to submit information to the committee, please contact Water.NewTechnology@capetown.gov.za.

7 Conclusion

While this brief has provided an outline of how to approach entering the public water sector market, it is important to remember that policies, regulations, procurement models and structures are always changing. The National 2019 Water and Sanitation Master Plan aims to promote private sector investment in water infrastructure projects and has prioritised the amendment of policies and regulations to enable this. One such piece of legislation, the Draft Public Procurement Bill published for public comment in February 2020, considers the consolidation of the PPPFA with applicable sections of the MFMA and their various amendments, establishing a public procurement regulator and differentiating the procurement processes applicable to infrastructure from other goods and services.

If there are any queries regarding the content of this document and to ensure that you have the latest references, please contact GreenCape for further assistance at water@greencape.co.za.

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