

BIDREADY · AUDIT REPORT

# Wastewater Treatment PPP — East Africa

Client: **Aqualis Water Engineering** (sample profile) · Issued by African Development Bank (AfDB) · Country: Kenya · Estimated value: USD 42M · Procurement type: EPC under PPP framework · RFQ deadline: 19 days from digest issue · Audit delivered: 5 business days

<p>OVERALL BIDREADINESS</p> <h1 style="font-size: 2em; color: #e67e22;">62</h1> <p>/ 100</p>	<p><b>■ CONDITIONAL GO — pursue with three gating items closed within 7 days</b></p> <p>Strong technical and capability fit. Three material compliance gaps must close before bid-writing. If gaps cannot close within 7 days, withdraw to preserve bid-team capacity. Realistic upside: 70/80 qualitative score with the GIZ Tanzania reference led; price proposal discipline (under USD 38M) is the deciding lever.</p>
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## EXECUTIVE SUMMARY

**The opportunity:** AfDB-funded EPC under a PPP framework for wastewater treatment infrastructure in East Africa. USD 42M total contract value, 30-month construction period, BOT-style risk allocation. Award expected within 60 days of bid submission.

**Why this matters for Aqualis:** Largest single AfDB opportunity in Aqualis' sector this calendar quarter. Winning would establish a Kenyan reference and open a USD 220M follow-on portfolio across East Africa over 24 months.

**What we recommend:** Pursue with discipline. The three gating items below must close within 7 days; if any slips, redirect bid-team capacity to the Horizon Europe AI Water Quality opportunity (94% fit, 38-day deadline).

#	Recommendation	Owner	By when
1	Open commercial discussions with Mara Engineering JV — sign LOI; closes consortium and 30% local-content gap.	Aqualis BD lead	T+2 days
2	Confirm FY2023 audited financials delivery date in writing from Finance.	Aqualis CFO	T+3 days
3	Lead the technical proposal with the GIZ Tanzania reference (closes 7-point track-record gap).	Engineering lead	T+5 days
4	Set price proposal target at USD 36–38M to win on combined qualitative+price.	Commercial lead	T+12 days
5	Treat this as a 'must-bid' only if the above hold; otherwise NO GO and reallocate.	Bid Committee	T+7 days (decision)

## §1 · ELIGIBILITY & DISQUALIFICATION RISK SCAN

Mapped against AfDB Procurement Framework (October 2015, revised 2023) and the published RFQ eligibility section. Each requirement is rated PASS, AT-RISK, or FAIL. AT-RISK items have a stated resolution path; FAIL items are immediate gating issues.

Requirement	Status	Notes
Bidder is a registered legal entity in eligible AfDB member country	PASS	Aqualis registered in Germany (eligible). Kenya local subsidiary not yet registered (see §1 row 7).
No active sanctions / debarment (AfDB, World Bank, OFAC, EU)	PASS	Cross-checked against April 2026 sanctions lists. Clean across all four.
Audited financial statements — last 3 years (FY2021, FY2022, FY2023)	FAIL	FY2023 audit pending finalisation. Resolution: confirm completion date in writing from CFO. Without this, the bid is non-responsive.
Average annual turnover ≥ USD 35M (last 3 years)	PASS	Reported €52M average — comfortably above threshold.
At least 2 reference projects of similar nature & magnitude	AT-RISK	Two East African references exist but only one >USD 30M. Recommend leading with GIZ Tanzania (USD 38M) as third.
Bid security: 2% of bid value (~USD 840k) — bank guarantee	PASS	Standing facility with Deutsche Bank confirmed. Guarantee text format pre-cleared.
Local entity / JV registration in Kenya within 30 days of award	AT-RISK	Not currently registered. Partner-led path required (see Consortium §4). Aqualis registration is fallback if Mara JV fails.
Tax compliance certificate (KRA) — at award stage	PASS	Achievable post-award via local partner. Standard 14-day turnaround.
Conflict of interest disclosure	PASS	No prior advisory work on this project; clean.
Prior performance — no 'unsatisfactory' rating on AfDB projects in last 5 years	PASS	Aqualis last AfDB project (Tanzania, 2024) rated 'satisfactory.'

**Watch-outs not in the RFQ but seen on prior AfDB awards:** (1) Reference projects must demonstrate *operational handover*, not just construction completion — list O&M handover dates explicitly. (2) AfDB has shifted weighting toward Kenyan workforce *at supervisor grade*, not just unskilled labour — name your local site supervisor in the technical proposal. (3) Bid evaluators have flagged 'boilerplate' ESG plans negatively in 2025; tailor the ESG section to the specific catchment area.

## §2 · ESG & LOCAL-CONTENT ASSESSMENT

Dimension	Requirement	Aqualis position	Status
Environmental Impact Assessment	Category A — full ESIA required before financial close (per AfDB ISS, June 2023)	ESIA capability in-house. Kenya NEMA approval requires local consultant — partner identified.	AT-RISK
Climate co-benefit reporting	AfDB Climate Safeguards Adaptation Framework (CSAF) disclosure	Aligned. Circular-water pathway documented in FY2024 sustainability report.	PASS
Community engagement plan	Required prior to construction; 90-day public consultation window	Standard methodology in place; deployable within 30 days of award.	PASS
Local content — labour	≥ 60% Kenyan workforce on construction (raised from 50% in 2025)	Achievable with local subcontractor framework. Recommend pre-naming three Kenyan trade firms.	PASS
Local content — procurement	≥ 30% local sourcing of works inputs (cement, steel, valves, fittings)	Requires Kenyan equipment partner. Mara JV closes this gap (see §4). Standalone Aqualis cannot meet.	FAIL
Gender & inclusion	Minimum 25% female representation in skilled / supervisor roles	Group target 30%; achievable with conscious site-team selection.	PASS
Indigenous and vulnerable communities	FPIC protocol required for catchment-area communities	No prior FPIC experience in Kenya. Partner-led approach via Mara JV.	AT-RISK
Worker grievance mechanism	Multilingual; trained focal points	Standard framework deployed on three prior East Africa projects.	PASS

## §3 · EVALUATION CRITERIA DECODED

Published weighting per AfDB RFQ scoring matrix, with Aqualis self-assessed score and the gap to maximum. Three scenarios shown: **Low** (no consortium, no GIZ reference led), **Expected** (Mara JV signed, GIZ reference led), and **High** (everything plus a named senior site supervisor and ESG narrative tailored).

Criterion	Weight	Low case	Expected	High case	Max
Technical capacity & methodology	30%	24	27	29	30
Track record on comparable projects	25%	16	21	24	25
Local presence & community engagement	15%	6	12	14	15
ESG & sustainability framework	10%	8	9	10	10
Financial proposal (price)	20%	—	—	—	20
<b>TOTAL (excl. price)</b>	<b>80%</b>	<b>54</b>	<b>69</b>	<b>77</b>	<b>80</b>

**Where to win points others will miss:** (a) AfDB evaluators reward *quantified climate co-benefits* (tonnes CO2e avoided per year) — Aqualis can credibly claim 8,400 tCO2e/yr from anaerobic digester biogas capture. Most bidders won't quantify. (b) The 'community engagement' sub-score historically rewards bidders who name a specific local NGO partner — recommend partnering with WaterAid Kenya. (c) Lead with the 'operational handover' framing in track record, not 'construction completion' — see Watch-outs in §1.

## §4 · CONSORTIUM GAP & PARTNER SHORTLIST

AfDB scoring rewards local presence and Kenyan-inputs procurement. Both gaps close via a JV with a single Kenyan engineering partner. BidReady has shortlisted three candidates from its East-Africa partner network and assessed each on capability, capacity, balance sheet, and AfDB delivery history.

Candidate	Strengths	Concerns	Fit
Mara Engineering Ltd. (Nairobi)	AfDB-prequalified Tier 1. 14 prior water projects in Kenya since 2018. Strong NEMA relationships. Public sector references include Nairobi Water Sewerage Co.	Capacity at FY26 limit — bandwidth check required before LOI. CFO flagged a Q3 working-capital constraint.	<b>STRONG</b>
Coast Hydro Works (Mombasa)	Coastal works specialist; strong local-content procurement network across the Kenyan coast. Three prior World Bank projects.	Smaller balance sheet — bid security may need Aqualis backstop. No prior AfDB experience.	<b>GOOD</b>
KEPCO Engineers Ltd (Nairobi)	Public-sector pedigree; political relationships at county level. Aggressive pricing.	Past delivery slippage on AfDB Tanzania project (2024) — 4-month overrun. Reputational risk if associated.	<b>CAUTION</b>

**Recommended action:** Open commercial discussion with **Mara Engineering** as primary candidate within 48 hours. BidReady can broker a warm intro to Mara's Managing Director (existing relationship). Hold Coast Hydro Works as fallback. Decline KEPCO unless prior-delivery concerns can be independently verified — the reputational risk outweighs the pricing benefit.

**JV structure recommended:** Aqualis 70% / Mara 30%. Aqualis is technical and consortium lead; Mara handles local registration, NEMA, KRA, and 100% of the local-content procurement plan. Indemnity capped at JV equity.

## §5 - PRICING & COMPETITIVE POSITIONING

This section is the most decision-relevant in the audit. Price typically determines the winner once qualitative scores are within 5–8 points of each other. Below: who else is likely to bid, the competitor price band we project, and the **must-win price** for Aqualis given the qualitative gap.

### §5.1 - Likely competitive field

Competitor	Profile	Likely price band	Probable verdict
Veolia East Africa	Tier 1 incumbent. Has the Mombasa O&M contract since 2019. Strong local presence.	USD 39–43M	Likely top-3
Suez Africa	Comparable to Veolia. Recent Tanzania award (2025) suggests aggressive pricing.	USD 36–40M	Likely top-3
China Geo Engineering Corp.	BRI-backed; aggressive pricing. Limited operational handover record on AfDB projects.	USD 30–34M	Price-disqualified on responsiveness — likely
Aqualis + Mara JV	Strong technical and ESG story; mid-market price discipline required.	USD 36–38M (recommended)	Win if qualitative score ≥ 70/80
3-4 mid-market regional bidders	Local Kenyan and South African EPCs. Likely qualitatively weaker.	USD 33–38M	Mid-pack

### §5.2 - Recommended price strategy

AfDB scoring is 80% qualitative / 20% price. At an Expected qualitative score of 69/80, Aqualis needs to land in the lower half of the credible price band to win. Modeling shows the following sensitivity:

Aqualis bid price	Qualitative needed to win	Win probability	Margin (est.)
USD 34M	≥ 60/80	~75%	8–10% (thin)
USD 36M	≥ 65/80	~65%	12–14%
USD 38M (RECOMMENDED)	≥ 69/80 (Expected case)	~55%	16–18%
USD 40M	≥ 75/80 (High case only)	~30%	20–22%
USD 42M+	≥ 78/80	~10%	24%+

**Recommendation: bid USD 36–38M with explicit qualitative-uplift narrative.** This wins in the Expected case (~55% probability) and preserves 16–18% margin. Below USD 36M the margin compresses below the Aqualis bid-economics threshold and should not be considered. Above USD 38M, the win probability drops to <30% and the opportunity becomes a long-shot.

## §6 · 19-DAY ACTION PLAN & GO / NO-GO

### §6.1 · Bid team RACI

Workstream	Responsible	Accountable	Consulted	Informed
Consortium / JV (Mara LOI & structure)	BD lead	MD	Legal, CFO	Bid Committee
FY2023 audit closure	Finance team	CFO	External auditor	MD
Technical proposal (methodology, work plan)	Engineering lead	MD	Mara CTO	BD lead
Reference write-up (GIZ Tanzania lead)	BD lead	MD	PM Tanzania	Engineering
ESIA approach paper + community plan	ESG lead	MD	Local consultant, WaterAid Kenya	Mara
Local-content procurement plan	Mara CTO	Mara MD	Aqualis BD lead	MD
Price proposal	Commercial lead	MD	CFO, Engineering	Bid Committee
Bid submission & quality check	BD lead	MD	Legal	All workstreams

### §6.2 · 19-day timeline

Day	Milestone	Owner	Gating?
T+1–2	Mara Engineering — first commercial conversation; LOI drafted	BD lead	YES
T+3	FY2023 audit completion date confirmed in writing	CFO	YES
T+4	Mara LOI signed; JV term sheet circulated for legal review	Legal	YES (closes by T+7)
T+5–8	Technical proposal first draft; reference write-up completed	Engineering / BD	—
T+7	BID COMMITTEE: GO / NO-GO decision based on three gating items	Bid Committee	DECISION POINT
T+8–12	ESIA paper, community plan, local-content plan prepared	ESG / Mara	—
T+10	Price proposal drafted at USD 36–38M target	Commercial	—
T+13–16	Internal review, redlines, sign-off	MD + Bid Cmte	—
T+17	Bid security guarantee issued; final QA pass	Treasury / BD	—
T+18	Bid submitted with 24-hour buffer	BD lead	—
T+19	RFQ deadline (no further changes possible)	—	DEADLINE

### §6.3 · Final GO / NO-GO recommendation

**VERDICT: CONDITIONAL GO**

Pursue this opportunity **only if all three gating items below close within 7 days**. If any one slips, withdraw to preserve bid-team capacity for the Horizon Europe AI Water Quality Analytics opportunity (94% fit, 38-day deadline) flagged in the May digest.

**The three gating items:**

- Mara Engineering JV term sheet signed (closes consortium and local-content gaps)
- FY2023 audited financials available in writing from finance with delivery date
- Power of Attorney from JV partner authorising joint bid

**If GO:** Aqualis is structurally competitive at the Expected qualitative score of 69/80, with realistic upside to 77/80. Recommended bid price **USD 36–38M** with explicit qualitative-uplift narrative (climate co-benefits quantified, WaterAid Kenya partnership, named site supervisor at supervisor grade). Win probability ~55%.

**If NO GO:** Reallocate the bid team immediately — the Horizon Europe AI Water Quality opportunity (94% fit) has 38 days remaining and a higher pursuit probability.

*This audit was produced by BidReady Advisory in 5 business days under the standard BidReady Audit engagement (€ 1,500). Sources screened: AfDB Procurement Framework (2023 revision), AfDB ISS (June 2023), AfDB CSAF, Kenya NEMA regulations, prior AfDB award debriefs (2024–2025), BidReady East Africa partner registry, and competitor price intelligence from 12 comparable awards (2023–2025). For ongoing pipeline coverage, see Radar Digest (€ 199/mo) or Intelligence Weekly (€ 399/mo).*