PROPOSED PROCUREMENT FRAMEWORK & SMME DEVELOPMENT:
NMBM SUPPORT PROGRAMME
21 SEPTEMBER 2015
OUTLINE

1. PROBLEM STATEMENT
2. OBJECTIVES
3. GENERAL PRINCIPLES
4. PANEL OF APPROVED SERVICE PROVIDERS
5. ALLOCATION OF WORK
6. SUPPORT PROGRAMME
7. SUMMARY OFFERINGS
8. SMME DEVELOPMENT PLAN
9. TARGET GROUPS
10. COMPLIANCE CRITERIA
11. INTERVENTION ASSISTANCE
12. SMME DEVELOPMENT PROGRAMME
13. SMME PLAN
14. SUPPORT PROGRAMME – ACTION PLAN
Concerns were identified at the SMME/Developers Workshop held on 22 and 23 June 2015:

• Transparency and Management of the NMBM Roster System of work allocation
• Financial Support
• Training & Development
• Delayed payments
• Verification of Service Providers
1. OBJECTIVES
Contribute to the improvement of the quality of life and creation of employment opportunities through a SCM System that enables all stakeholders to participate in a fair, equitable, transparent and competitive manner.

2. COMPONENTS
A. SCM FRAMEWORK
B. SMME SUPPORT
C. YOUTH EMPOWERMENT
3. GENERAL PRINCIPLES GOING FORWARD

- 100% compliance with legislation
- Only SMMEs within Metro qualify to participate
- Panel of pre-approved service providers to be based on functionality not price (price determined by subsidy quantum)
- Allocation of work to be prioritised on functionality
- Written notice to successful and unsuccessful tenders
- Contractor payments within 30 days
4. PANEL OF PRE-APPROVED SERVICE PROVIDERS

- General qualification criteria:
  - NHBRC Registration
  - CIDB Grading
  - Letter of good standing
  - BBBEE Certification
  - Tax Clearance Certificate
4. PANEL OF PRE-APPROVED SERVICE PROVIDERS (cont.)

- Functionality Criteria: **Capacity**
  - Methodology
  - Sub-contracting
  - Staff complement
  - Use of Local labour

- Functionality Criteria: **Capability**
  - Credit: letter from supplier
  - Proof of Banking Account
  - Experience of Doing Similar Work
5. ALLOCATION OF WORK

- SMME Definition – National Small Business Act 26 of 2003
- Allocation of sites prioritised on functionality scoring
- Number of units in line with NHBRC grading
- Allocation of 100% of work which SMMEs qualify for in terms of legislation
6. SUPPORT PROGRAMME

- Incubation
- Training and Assistance on Skills & NHBRC Grading
- Mentorship
- Financial Support: Nurcha
7. KEY OFFERINGS

- A programme to develop 150 PER YEAR, SMMEs in CIDB grades 1-5 and NHBRC levels over a period of three (3) years.
- Programme to include training and mentorship and ensure sustainable work opportunities.
- SMMEs to compete amongst each other and monitoring based on performance on projects/units allocated will determine continuation of SMME in the Programme.
- Structured training will be offered based on assessment of gaps and competencies required.
- SMMEs will be required to sign performance contracts and participation agreements to be in the programme.
7. KEY OFFERINGS (cont.)

- A transparent Expression of Interest to all SMMEs with required criteria to ensure maximum participation.
- Mentorship programme will be implemented for full incubation and virtual incubation models.
- Growth of an SMME will be monitored and measured to allow exit in the programme.
- Every year, the programme will have new intake informed by available budget and required deliverables (numbers and target group).
- Competence assessment tools to ascertain growth and development will be utilized to test competencies of SMMEs after participation in the programme.
8. MODEL FOR SMME DEVELOPMENT & MENTORSHIP

- Based on the concept of coordination and integration of various efforts as an inclusive package for SMME progression.
8. MODEL FOR SMME DEVELOPMENT & MENTORSHIP (cont.)
8. SMME DEVELOPMENT PLAN (TRAINING AND MENTORSHIP)

- PROFILE OF THE NMB CONTRACTORS:

<table>
<thead>
<tr>
<th>Total Number of Contractors in the Roster</th>
<th>Number of Entities Registered with CIPC</th>
<th>Number of Contractors with a Valid Tax Clearance</th>
</tr>
</thead>
<tbody>
<tr>
<td>390</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of NHBRC Registered Builders</td>
<td>Number of NHBRC Expired Builders</td>
<td>Number of Builders not NHBRC Registered</td>
</tr>
<tr>
<td>284</td>
<td>116</td>
<td>25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Female NHBRC Registered Builders</th>
<th>Number of Male &amp; Female Registered Builders</th>
<th>Number of Male NHBRC NOT Registered Builders</th>
</tr>
</thead>
<tbody>
<tr>
<td>70</td>
<td>135</td>
<td>79</td>
</tr>
</tbody>
</table>
9. TARGET GROUPS

- The training programme to be facilitated by NHBRC and co-funded by NHBRC, NURCHA and SEDA focusing on the following targeted groups:

<table>
<thead>
<tr>
<th>Number of NHBRC Registered Builders</th>
<th>Number of NHBRC Expired Builders</th>
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</tbody>
</table>

- Women owned entities
- Youth owned entities
- Male and Women owned entities
- SMMEs registered for the NHBRC Home Builders Training
10. COMPLIANCE CRITERIA

- Companies registered with Commission for Intellectual Property Commission (CIPC former CIPRO)
- Comply with regulatory bodies
- SARS – valid tax clearance
- NHBRC – Technical Assessment; Qualification (to work for the company) or Recognition of Prior Learning (RPL).
- CIDB – grade 2- 4 (GB; CE; SO and EB), based on project completed, available capital (AV) or best turnover

11. INTERVENTION ASSISTANCE

- Technical induction & 3 day preparatory course
- Assessment of technical person/s
- Legislative review
- Debt Advice (voluntary)
- Grade 1s to be included on work allocations basis after Outreach enrolment in incubation
12. SMME DEVELOPMENT PROGRAMME

Below table tabulates the overview of training deliverables:

<table>
<thead>
<tr>
<th>PROGRAMME</th>
<th>OUTPUT</th>
<th>PROVIDER</th>
<th>FUNDERS</th>
<th>TARGET GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Incubation Programme</td>
<td>3-yr programme</td>
<td>SEDA Construction Incubator</td>
<td>SEDA and NURCHA</td>
<td>Contractors: CIDB Grade 3 – 5 (10)</td>
</tr>
<tr>
<td>Virtual Incubation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Outreach Incubation</td>
<td>1-yr programme</td>
<td>SEDA Construction Incubator</td>
<td>SEDA and NURCHA</td>
<td>Contractors: CIDB Grade 1 -2 (50)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and NHBRC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


### 12. SMME DEVELOPMENT PROGRAMME (Cont.)

<table>
<thead>
<tr>
<th>PROGRAMME</th>
<th>OUTPUT</th>
<th>PROVIDER</th>
<th>FUNDER(S)</th>
<th>TARGET GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3. Technical Training</strong></td>
<td>Accredited Programmes:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>- Supervision of Construction Processes (NQF 4)</td>
<td>NHBRC and SEDA</td>
<td>NHBRC and SEDA</td>
<td>Contractors: CIDB Grade 2 – 5(100)</td>
</tr>
<tr>
<td></td>
<td>- Construction Contractor (NQF 2)</td>
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<tr>
<td></td>
<td>- National Certificate – Building &amp; Civil (NQF 2 &amp; 3)</td>
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<td></td>
<td>- Community House Build (NQF 2)</td>
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</tr>
</tbody>
</table>

| **4. On-Site Support**     | Capacity building & Accountability i.e. Health & Safety, Quality Assurance, Asset Management, Project Flow Mgt | NHBRC and NURCHA Management Services | NURCHA          | All           |
|                            |                                                          | NHBRC and NURCHA Management Services | NURCHA          | All           |
### 12. SMME DEVELOPMENT PROGRAMME (Cont.)

<table>
<thead>
<tr>
<th>PROGRAMME</th>
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<th>FUNDER(S)</th>
<th>TARGET GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Women in Human Settlement Support</td>
<td>NHBRC Homebuilding Skills Programme</td>
<td>NHBRC</td>
<td>NHBRC</td>
<td>NHBRC Registered WIHS(70)</td>
</tr>
<tr>
<td>5. Youth Brigades</td>
<td>NHBRC Homebuilding Skills Programme. Accredited Technical Training</td>
<td>NHBRC</td>
<td>NHBRC</td>
<td>100 Youths</td>
</tr>
<tr>
<td></td>
<td>Exit Plan for Post NARYSEC Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Youth &amp; Women Post Training</td>
<td>- Facilitation of Skills transfer and Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Facilitation of access to Job Creation and economic opportunities</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>- Preferential Procurement (10% of mega projects, 10% of all Human Settlements projects contracts and 20% allocation of serviced sites. 50% Women)</td>
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</tr>
<tr>
<td></td>
<td>- Create viable partnerships to support a vibrant Youth Brigade programme with Smart targets</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
## 13. SUPPORT PROGRAMME – ACTION PLAN AND TIMEFRAMES

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>ACTIVITIES</th>
<th>RESPONSIBILITY</th>
<th>DATE</th>
</tr>
</thead>
</table>
| FRAMEWORK DOCUMENT FOR THE SCM OF THE NMBMM | Analysis and Profiling of the developers/contractors in the Metro roster  
Criteria for the registration of the developers/contractors in the Metro database  
Registration process of the pre-approved developers/contractors in the Metro database  
Management and maintenance guidelines of the pre-approved list of developers/contractors | NHBRC and CIDB  
HDA/Metro/Province  
HDA/Metro/Province  
HDA/Metro/Province | 24 July 2015  
24 July 2015  
25 Sept 2015  
24 July 2015 |
### 14. SUPPORT PROGRAMME – ACTION PLAN AND TIMEFRAMES (Cont.)

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>ACTIVITIES</th>
<th>RESPONSIBILITY</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRAMEWORK DOCUMENT FOR THE DEVELOPMENT OF SMMEs</td>
<td>▪ Assessment of the training needs for the contractors/developers in the Metro&lt;br&gt;▪ Packaging of the training programme for the SMMEs (contractors/developers)&lt;br&gt;▪ Confirmation of Financial support for the training programme of the SMMEs (developers and contractors)&lt;br&gt;▪ Framework for the incubator programme (facilitation)&lt;br&gt;▪ Joint approach towards the grading system of the SMMEs&lt;br&gt;▪ Implementation and Management of the development/training for the developers/SMMEs</td>
<td>NHBRC and CIDB&lt;br&gt;NURCHA, NHBRC and SEDA&lt;br&gt;NURCHA, NHFC, SEDA Construction, Construction CETA&lt;br&gt;NHBRC; NURCHA and SEDA&lt;br&gt;CIDB and NHBRC&lt;br&gt;NURCHA and NHBRC</td>
<td>31 August 2015&lt;br&gt;31 August 2015&lt;br&gt;19 August 2015&lt;br&gt;24 July 2015&lt;br&gt;17 August 2015&lt;br&gt;05 October 2015</td>
</tr>
</tbody>
</table>
THANK YOU