



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA



Province of the
EASTERN CAPE
HUMAN SETTLEMENTS



**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

1. PROBLEM STATEMENT

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

2. SUPPORT PACKAGE

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.)

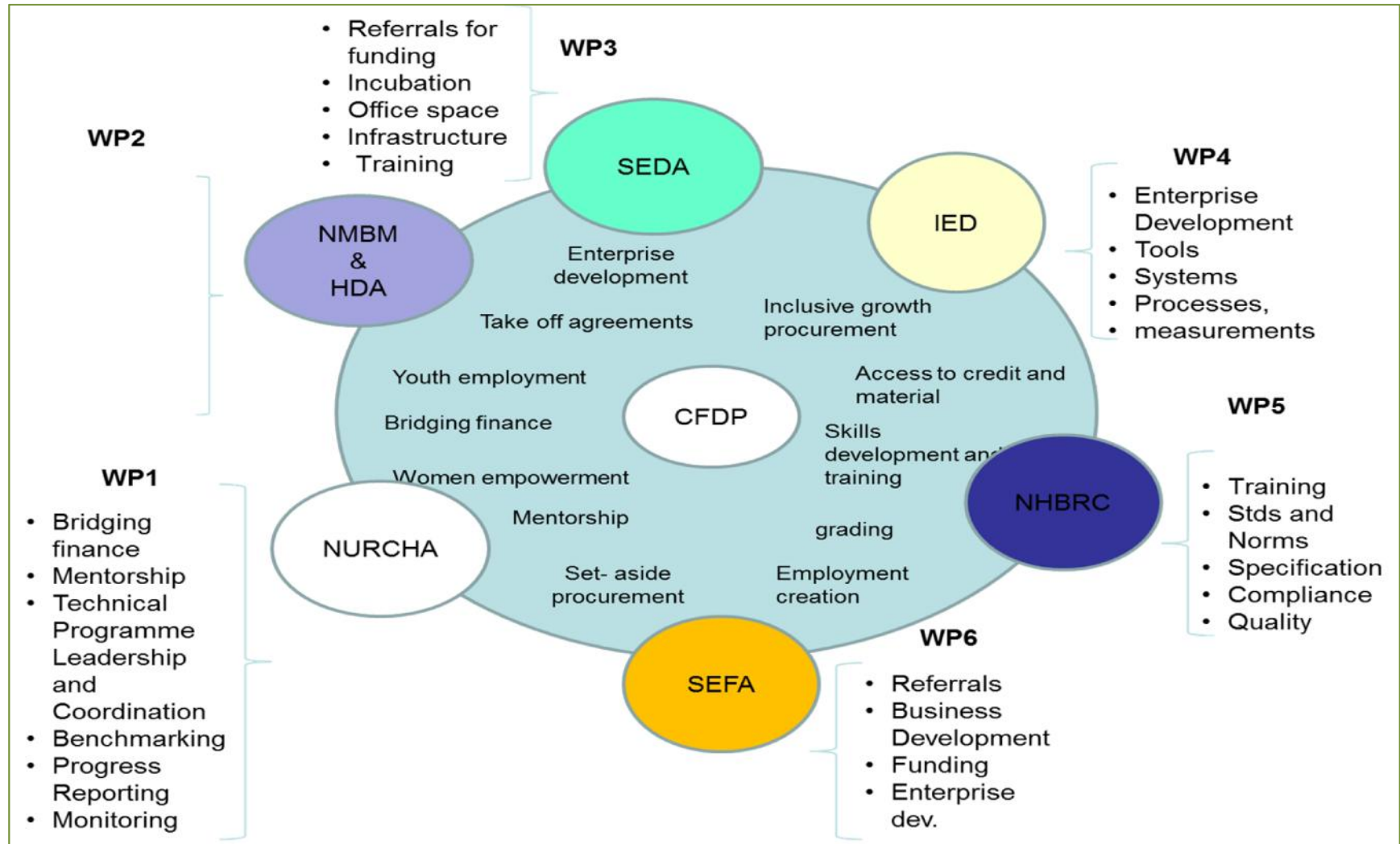
- A transparent Expression of Interest to all SMMEs with required criteria to ensure maximum participation.
- Mentorship programme will be implemented for full incubation and virtual incubation models.
- Growth of an SMME will be monitored and measured to allow exit in the programme.
- Every year, the 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:**

Total Number of Contractors in the Roster	Number of Entities Registered with CIPC	Number of Contractors with a Valid Tax Clearance
390		
Number of NHBRC Registered Builders	Number of NHBRC Expired Builders	Number of Builders not NHBRC Registered
284	116	25
Number of Female NHBRC Registered Builders	Number of Male & Female Registered Builders	Number of Male NHBRC NOT Registered Builders
70	135	79

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:

Number of NHBRC Registered Builders	Number of NHBRC Expired Builders	Number of Builders not Registered
284	116	25
Number of Female NHBRC Registered Builders	Number of Male & Female Registered Builders	Number of Male NHBRC not Registered Builders
70	135	79

- 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:

PROGRAMME	OUTPUT	PROVIDER	FUNDERS	TARGET GROUP
1. Incubation Programme Virtual Incubation	3-yr programme	SEDA Construction Incubator	SEDA and NURCHA	Contractors: CIDB Grade 3 – 5 (10)
2. Outreach Incubation	1-yr programme	SEDA Construction Incubator and NHBRC	SEDA and NURCHA NHBRC and NURCHA	Contractors: CIDB Grade 1 -2 (50)

12. SMME DEVELOPMENT PROGRAMME (Cont.)

PROGRAMME	OUTPUT	PROVIDER	FUNDER(S)	TARGET GROUP
3. Technical Training	<p><u>Accredited Programmes:</u></p> <ul style="list-style-type: none"> ▪ Supervision of Construction Processes (NQF 4) ▪ Construction Contractor (NQF 2) ▪ National Certificate – Building & Civil (NQF 2 & 3) ▪ Community House Build (NQF 2) 	NHBRC and SEDA	NHBRC and SEDA	Contractors: CIDB Grade 2 – 5(100)
4. On-Site Support	<ul style="list-style-type: none"> ▪ Capacity building & Accountability i.e. Health & Safety, Quality Assurance, Asset Management, Project Flow Mgt 	NHBRC and NURCHA Management Services	NURCHA	All

12. SMME DEVELOPMENT PROGRAMME (Cont.)

PROGRAMME	OUTPUT	PROVIDER	FUNDER(S)	TARGET GROUP
4. Women in Human Settlement Support	NHBRC Homebuilding Skills Programme	NHBRC	NHBRC	NHBRC Registered WIHS(70)
5. Youth Brigades	NHBRC Homebuilding Skills Programme. Accredited Technical Training Exit Plan for Post NARYSEC Program	NHBRC	NHBRC	100 Youths
6. Youth & Women Post Training	<ul style="list-style-type: none"> ▪ Facilitation of Skills transfer and Education ▪ Facilitation of access to Job Creation and economic opportunities ▪ Preferential Procurement (10% of mega projects, 10% of all Human Settlements projects contracts and 20% allocation of serviced sites. 50% Women ▪ Create viable partnerships to support a vibrant Youth Brigade programme with Smart targets 			

13. SUPPORT PROGRAMME – ACTION PLAN AND TIMEFRAMES

ISSUE	ACTIVITIES	RESPONSIBILITY	DATE
FRAMEWORK DOCUMENT FOR THE SCM OF THE NMBMM	Analysis and Profiling of the developers/contractors in the Metro roster	NHBRC and CIDB	24 July 2015
	Criteria for the registration of the developers/contractors in the Metro database	HDA/Metro/Province	24 July 2015
	Registration process of the pre-approved developers/contractors in the Metro database	HDA/Metro/Province	25 Sept 2015
	Management and maintenance guidelines of the pre-approved list of developers/contractors	HDA/Metro/Province	24 July 2015

14. SUPPORT PROGRAMME – ACTION PLAN AND TIMEFRAMES (Cont.)

ISSUE	ACTIVITIES	RESPONSIBILITY	DATE
FRAMEWORK DOCUMENT FOR THE DEVELOPMENT OF SMMEs	<ul style="list-style-type: none"> ▪ Assessment of the training needs for the contractors/developers in the Metro 	NHBRC and CIDB	31 August 2015
	<ul style="list-style-type: none"> ▪ Packaging of the training programme for the SMMEs (contractors/developers) 	NURCHA, NHBRC and SEDA	31 August 2015
	<ul style="list-style-type: none"> ▪ Confirmation of Financial support for the training programme of the SMMEs (developers and contractors) 	NURCHA, NHFC, SEDA Construction, Construction CETA	19 August 2015
	<ul style="list-style-type: none"> ▪ Framework for the incubator programme (facilitation) 	NHBRC; NURCHA and SEDA	24 July 2015
	<ul style="list-style-type: none"> ▪ Joint approach towards the grading system of the SMMEs 	CIDB and NHBRC	17 August 2015
	<ul style="list-style-type: none"> ▪ Implementation and Management of the development/training for the developers/SMMEs 	NURCHA and NHBRC	05 October 2015

THANK YOU