



the dr&pw

Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA

DEPARTMENTAL CONTRACTOR DEVELOPMENT PROGRAMME: REVISED POLICY

Version 2
(Reviewed in July 2016)

TABLE OF CONTENTS

Contents	Page
DEFINITIONS AND ACRONYMS.....	4
 CHAPTER 1.....	 6
1.1 Introduction.....	6
1.2 DR&PW Contractor Development Initiatives.....	7
1.3 Background to the Contractor Development Programme (CDP).....	7
1.4 Improvements to the CDP Policy and Guidelines - 2016.....	8
1.5 Regulatory Framework for Contractor Development.....	9
 CHAPTER 2.....	 19
2.1 Challenges with the implementation of the CDP.....	19
2.2 Corrective measures through the National Contractor Development Programme (NCDP).....	21
 CHAPTER 3.....	 23
3.1 The revised CDP - 2016.....	23
3.2 Constraints on the Growth of Emerging Contractors.....	24
3.3 Alignment of the CDP to the NCDP.....	25
3.5 The Contractor Development Model.....	28
3.6 Key Enabling Mechanisms of the CDP.....	32
3.7 Contractor Development Mechanisms.....	33
 CHAPTER 4.....	 38
4.1 Monitoring, Evaluation and Reporting.....	38
4.2 Key Stakeholders.....	39
4.3 Communication Strategy.....	41
4.4 Programme Management.....	41
4.5 Policy Review.....	44
4.6 Recommendation for Approval.....	45
4.7 Approval of the Policy and Date of Effect.....	45

ANNEXURE A: Guidelines for Contractor Identification and Selection.....46

ANNEXURE B: Guidelines for Mentor Identification and Selection.....52

ANNEXURE C: Guidelines for the Identification of Projects.....63

LIST OF TABLES AND DIAGRAMS

1. Diagram 1: CDP Challenges.....	20
2. Diagram 2: The CDP Framework.....	27
3. Table 1: CDP Contractor Development Components.....	29
4. Diagram 3: Generic Elements of a Contractor Development Programme.....	38
5. Annexure A, Table 1: Contractor Functionality (Quality) Criteria.....	50
6. Annexure A, Table 2: Indicators for Contractor Functionality (Quality) Criteria	50
7. Annexure B, Table 1: Mentor Requirements and Documentation.....	56
8. Annexure B, Table 2: Mentor Functionality (Quality) Criteria.....	61
9. Annexure B, Table 3: Indicators for Mentor Functionality (Quality) Criteria.....	61

DEFINITIONS AND ACRONYMS

"ANC"	Means the African National Congress, which is currently the ruling political party in the Northern Cape Province, and Nationally.
"APL"	Means Assessment of Prior Learning.
"APP"	Means Annual Performance Plan (DR&PW).
"BAC"	Means Bid Adjudication Committee (DR&PW).
"B-BBEE"	Means Broad-Based Black Economic Empowerment.
"CB"	Means Customer Billing (DR&PW unit).
"CCC"	Means Contractor Contact Centres (CIDB).
"CD"	Means Contractor Development.
"CDP"	Means Contractor Development Programme (DR&PW).
"CEIPP"	Means Contractor Entity Improvement and Performance Programme.
"CETA"	Means Construction Education and Training Authority.
"CFO"	Means Chief Financial Officer.
"CIDB"	Means Construction Industry Development Board.
"CIP"	Means Contractor Incubator Programme.
"DPW"	Means Department of Public Works, and refers to the National Department.
"DPME"	Means Department of Performance Management and Evaluation, which forms part of the Presidency.
"DR&PW / Department"	Means Department of Roads and Public Works, Northern Cape Province.
"DTI"	Means Department of Trade and Industry, and refers to the National Department.
"ECDP"	Means Emerging Contractor Development Programme.
"EPWP"	Means Expanded Public Works Programme.

5

DEPARTMENT OF ROADS AND PUBLIC WORKS
DEPARTMENTAL CONTRACTOR DEVELOPMENT PROGRAMME:
REVISED POLICY

"GCC"	Means General Conditions of Contract for Construction Works.
"GIAMA"	Means Government Immovable Asset Management Act, Act No. 19 of 2007.
"HOD"	Means the Head of Department (HOD), according to the Public Finance Management Act (PFMA), 1999, who is also the Accounting Officer (AO). The PFMA clarifies the responsibilities of the HOD as Accounting Officer.
"JBCC"	Means Joint Building Contracts Committee.
"JCC"	Means Joint Building Contracts Committee.
"JV"	Means Joint Venture.
"LIC"	Means Labour Intensive Construction.
"MANCO"	Refers to the Senior Management Committee of the DR&PW, called the "Management Committee".
"MTEF"	Means Medium Term Expenditure Framework.
"NCDP"	Means National Contractor Development Programme.
"NIMS"	Means National Infrastructure Maintenance Strategy.
"NYS"	Means National Youth Service.
"NQF"	Means National Qualifications Framework.
"PBA"	Means Planned Budget Administration (DR&PW Unit).
"PDIs"	Means Previously Disadvantaged Individuals.
"PE"	Means Potentially Emerging (Contractors).
"PEIP"	Means Performance Enhancement and Improvement Programme.
"PFMA"	Means Public Finance Management Act, Act No.1 of 1999, as amended.
"PPPFA"	Means Preferential Procurement Policy Framework Act, Act No.5 of 2000.
"P&M"	Means Performance and Monitoring (DR&PW Unit).

"RDP"	Means Reconstruction and Development Programme.
"RoC"	Means Register of Contractors (CIDB).
"SACPCMP"	Means South African Council for the Project and Construction Management Professions.
"SEDA"	Means Small Enterprise Development Agency.
"SAFCEC"	Means South African Federation Civil Engineering Council.
"SETA"	Means Sector Education and Training Authority.
"SCM"	Means Supply Chain Management (DR&PW unit).
"SMMEs"	Means Small, Micro and Medium Enterprises.
"SAQA"	Means South African Qualifications Authority.

CHAPTER 1

1.1 Introduction

- 1.1.1 Since the inception of Government's procurement reforms in 1995, the DR&PW actively conceptualised and implemented programmes to promote emerging contractors. These initiatives, over the years increased the participation of black-owned enterprises in the construction industry in the Northern Cape Province.
- 1.1.2 Section 1.2 below outlines key Contractor Development initiatives implemented by the DR&PW over the past few years to date.

1.2 DR&PW Contractor Development Initiatives

- 1.2.1 The DR&PW Contractor Development Programme (CDP) was implemented in 2011. Small and emerging contractors were registered on a DR&PW database, and through a competitive system, five (5) projects were awarded to contractors on the programme.

- 1.2.2 The CDP initiative at the time, was considered a trial run. This initiative was rolled out and implemented by the DR&PW and has benefited a number of emerging contractors, thus enabling tendering for bigger projects which led to higher CIDB grading levels.
- 1.2.3 The EPWP is a flagship programme of government and continues to address unemployment and poverty through labour intensive opportunities in the construction sector, in all nine (9) provinces.
- 1.2.4 The EPWP provides short-term job opportunities for the unemployed (unskilled unemployed) and additionally, training and mentor ship is provided for contractors. The EPWP aims to create 4,5 million (four million five hundred thousand) work opportunities by 2016 as per the DPME Development Indicators of 2015.

1.3 Background to the Contractor Development Programme (CDP)

- 1.3.1 The CDP is one of the DR&PW's endeavours to transform the construction industry in the Northern Cape Province and to redress historical imbalances through participation of black-owned enterprises in the mainstream economy as provided in Section 217 of the Constitution of the Republic of South Africa, and the Broad Based Black Economic Empowerment (BBBEE) Act (Act No. 53 of 2003).
- 1.3.2 In 2011, the DR&PW launched the CDP to develop emerging enterprises into sustainable contracting companies, through creating an enabling environment that targets contractors registered, in grades two (2) to six (6) on the CIDB Register of Contractors (RoC).
- 1.3.3 In the 2015/16 financial year, MANCO took a decision that the Contractor Development Policy need to be reviewed in line with the existing policy that allowed for a review process after two (2) years from the effective date of the original policy.

- 1.3.4 An in-depth review of the CDP was undertaken to measure the success and assess the alignment of the outcomes achieved with the original goals of the programme, as well as to align the CDP with the National Contractor Development Programme (NCDP).
- 1.3.5 The review found that the DR&PW's efforts to implement Contractor Development (CD) were inadequate and required dedicated commitment. These included additional resources; constant supply of projects; ongoing mentor ship; regular reporting (through standardised templates); and institutional management to achieve better results going forward.

1.4 Improvements to the CDP Policy and Guidelines - 2016

- 1.4.1 Following the review of the CDP and drawing from the findings of the CDP after the trial run phase, this revised CDP Policy Programme and Guidelines are drafted to ensure improved performance and implementation, including the alignment of the CDP to the NCDP.
- 1.4.2 Inputs of the draft Revised Policy Programme and Guidelines were solicited from a range of stakeholders, particularly from the implementing units in Head Office and on the District level.
- 1.4.3 Participating Government Departments within the National Contractor Development Programme (NCDP) commit their resources to develop previously disadvantaged contractors and to align their CDP's with the principles set out in the NCDP Framework in order to meet NCDP objectives.

1.5 Regulatory Framework for Contractor Development

Various pieces of legislation and other regulatory frameworks exist relating to the management of contractor development and the controlling of procurement processes. This Contractor Development Policy and the programme to be implemented in accordance thereof, must therefore be structured in such a manner that it complies with the objectives and provisions of certain regulatory frameworks.

1.5.1 The Constitution of the Republic of South Africa Act of 1996 (Act No. 108 of 1996)

1.5.1.1 Section 217 of the 1996 Constitution defines how procurement matters should be managed. It further provides for the advancement and protection of PDI's. In this regard, Section 217 of the Constitution states the following:

"Procurement

- (1) When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods and services, it must do so in accordance with a system, which is fair, equitable, transparent, competitive and cost-effective.*
- (2) Sub-section (1) does not prevent the organs of state or institutions referred to in that sub-section from implementing a procurement Policy providing for:*
 - a) Categories of preference in the allocation of contracts; and*
 - b) The protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.*
- (3) National legislation must prescribe a framework within which the Policy referred to in sub-section (2) may be implemented."*

1.5.2 The Construction Industry Development Board (CIDB) Act of 1996 (Act No. 38 of 1996)

- 1.5.2.1 The CIDB is mandated to provide strategic leadership to stakeholders and to stimulate sustainable growth, reform and improvement of the construction sector for effective delivery and the industry's enhanced role in the country's economy.
- 1.5.2.2 The CIDB currently keeps and maintains the construction registers of contractors and projects. This Board plays a major role in ensuring that client departments adopt best practices which are auditable even within the contractor environment.
- 1.5.2.3 The CIDB is also responsible for the issuing of procurement practice notes which the departments dealing with construction industry projects are expected to adhere to, in order to ensure standardization of public sector procurement across the country.
- 1.5.2.4 The CIDB was established as a Schedule 3A public entity *"to provide strategic leadership to construction industry stakeholders to stimulate sustainable growth, reform and improvement of the construction sector"*. Its focus is on:
 - a) Sustainable growth, capability and empowerment.
 - b) Improved industry performance and best practice.
 - c) A transformed delivery environment underpinned by consistent and ethical procurement practice.
 - d) Enhanced value to clients and society.
- 1.5.2.5 The CIDB, amongst others, manages the grading and registration of contractors, keeps a register of projects and regulates the Standard for Uniformity in Construction Procurement Documentation. In this regard, the following must be kept in mind:

a) The Register of Contractors

i) Chapter three (3) of the CIDB Act stipulates that the CIDB is mandated to "... establish a national register of contractors, which categorises contractors in a manner that facilitates public sector procurement and promotes contractor development". The Register of Contractors must categorize contractors in a manner that, according to section 16(1) of the Act:

- 1) Facilitates public sector procurement.
- 2) Promotes contractor development.

ii) A contractor may not undertake, carry out, or complete any construction works or portion thereof for public sector contracts, awarded in terms of competitive tender or quotation, unless he or she is registered with the Board and holds a valid registration certificate issued by the Board (18(1)).

iii) The Register of Contractors stores and provides data on the size and distribution of contractors operating within the industry and the volume, nature, performance and development of contractors and target groups; and registration with the CIDB will be an entry requirement for all contractors who wish to register on the Department's database for the Contractor Development Programme (CDP).

b) The Register of Projects

i) Chapter four (4) of the Act stipulates that the CIDB must establish a national register of projects to "...gather information on the nature, value and distribution of projects and provide the basis for the best practice project assessment scheme".

ii) The implication is that all the construction and engineering projects with a value of R200 000 (two hundred thousand rand) and above are to be registered with the CIDB's Register of Projects.

- c) **The Standard for Uniformity in Construction Procurement Documentation**
 - i) Aligned with government's supply chain management policy, the CIDB has published the Standard for Uniformity in Construction Procurement, creating synergy and consistency across the procurement continuum.
 - ii) The Standard is supported by the CIDB Library of Construction Procurement Best Practice.

1.5.3 The Broad-Based Black Economic Empowerment (B-BBEE) Act of 2003 (Act No. 53 of 2003)

- 1.5.3.1 B-BBEE provides a legal framework for the promotion of Broad-Based Black Economic Empowerment.
- 1.5.3.2 The Act provides for the gazetting of transformation charters and the issuing of generic and sector Codes of Good Practice which are a vehicle for the advancement of black economic empowerment.
- 1.5.3.3 The construction sector finalised its Transformation Charter in January 2006. The charter aims to set the targets for the advancement of B-BBEE within all elements of the Codes.

1.5.4 The Preferential Procurement Policy Framework Act (PPPFA) of 2000 (Act No. 5 of 2000)

- 1.5.4.1 The PPPFA is a legal framework for public sector procurement, developed in terms of Section 217 of the Constitution of the Republic of South Africa. Treasury regulations and practice notes have been developed as tools for the implementation of the Act within government departments.

1.5.4.2 The Act requires organs of state to determine their preferential procurement policy and to implement it within a framework requiring the following preference point system, viz.:

- a) For contracts with a Rand value above R500 000 (five hundred thousand), a maximum of ten (10) points may be allocated for specific goals, provided that the lowest acceptable tender scores ninety (90) points for price.
- b) For contracts with a Rand value equal or below R500 000 (five hundred thousand), a maximum of twenty (20) points may be allocated for specific goals, provided the lowest acceptable tender scores eighty (80) points for price. Any other acceptable tenders which are higher in price must score fewer points on a *pro rata* basis, calculated on their tender prices in relation to the lowest acceptable tender in accordance with a prescribed formula.
- c) The contract must be awarded to the bidder who scores the highest points unless objective criteria in addition to that pertaining to specific goals justify the award to another bidder.

1.5.4.3 The framework states that specific goals may include:

- a) Contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.
- b) Implementing the RDP as published in Government Gazette no. 16085, dated 23 November 1994.
- c) The framework requires that any specific goals for which points may be awarded must be clearly specified in the invitation to submit a tender and must be measurable and quantifiable and monitored for compliance.
- d) This Act has definite implications for the engagement of contractors in a contractor development programme. The participation of such contractors as

prime contractors can be secured through:

- i) Preferences provided for in this Act. Contracts cannot simply be awarded to contractors; an element of competition must be present, albeit with a preference. Furthermore, the Department may ring-fence specific contracts for developing contractors, e.g. CIDB grade three (3) to seven (7), registered on a programme or learner contractors who complete an exit phase of their learner ships.
- e) Through enrolment on learner ships. (Negotiated training contracts as for the Vuk'uphile Contractor Development Programme).

1.5.4.4 The B-BBEE Codes are therefore also aimed at complementing the PPPFA in ensuring that scorecard targets of B-BBEE are met.

1.5.5 The Public Finance Management Act (PFMA) of 1999 (Act No. 1 of 1999), as amended by Act 29 of 1999

1.5.5.1 The purpose of the PFMA is to regulate financial management in the national and provincial spheres of government; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently effectively; to provide for the responsibilities of persons entrusted with financial management in government; and to provide for matters connected therewith.

1.5.5.2 A contractor development programme can entrench compliance by means of an accountable, open and fair programme that is managed in terms of an approved policy and programme, and is monitored and evaluated regularly.

1.5.6 The Skills Development Act of 1998 (Act No. 97 of 1998)

1.5.6.1 The Skills Development Act provides for the creation of a SETA for each of the

various economic sectors. The CETA is responsible for training in the construction industry.

- 1.5.6.2 Structured learning programmes, e.g. learnerships, are governed by Sectoral Determination No. 5: Learnerships in terms of Section 55(1) of the Basic Conditions of Employment Act, No. 75 of 1997, read together with Section 18(4) of the Skills Development Act, No. 97 of 1998.
- 1.5.6.3 Contractors enrolled on structured learning programmes may be contracted on negotiated contracts as part of their practical or workplace experience.

1.5.7 The Companies Act of 2008 (Act No. 71 of 2008) as amended

- 1.5.7.1 There is no doubt that this Act, as amended, will have a profound impact on the manner in which businesses are managed, both large and small. It is therefore essential that contractor companies acquire a good understanding of this Act.
- 1.5.7.2 The Act modernises South Africa's company laws and brings them into line with international company laws. Of particular importance are issues of corporate social responsibility and stakeholders' rights. It also introduces a new administrative enforcement regime in place of criminal sanctions.
- 1.5.7.3 A striking feature of the Act is the number of new remedies it gives stakeholders, including trade unions representing employees and minority shareholders.
- 1.5.7.4 The Act introduces more comprehensive provisions regarding accounting records, financial statements and corporate governance, but allows greater flexibility in the design and governance of companies. It also replaces the judicial management system with a more modern and practical business rescue regime.

1.5.8 The Consumer Protection Act of 2008 (Act No. 68 of 1998) as amended

- 1.5.8.1 This Act requires, among other things, that business dealings with consumers are fair and reasonable. The Act has repealed and replaced (in whole or in part) various other legislation, including, the Consumer Affairs (Unfair Business Practices) Act, No. 71 of 1988 and the Trade Practices Act, No. 76 of 1976.
- 1.5.8.2 The impact of the Act on the manner in which goods and services are marketed and supplied in South Africa as well as the potential exposure to fines and increased consumer complaints makes it important for companies to familiarise themselves (from a business and trade perspective) with the key provisions of the Act and to align their business practices and relevant agreements with the Act.

1.5.9 The Construction Regulations of 2003, in pursuance of The Occupational Health and Safety Act of 1993 (Act No. 85 of 1993) as amended

- 1.5.9.1 The Occupational Health and Safety Act and the subsequent Construction Regulations of 2003, aims to provide for the health and safety of persons at work in the construction industry and for the health and safety of persons in connection with specific activities related thereto.

1.5.10 The National Procurement Task Team Framework

- 1.5.7.1 On the national level, a Procurement Task Team consisting of *inter alia*, officials of the departments of Public Works (National) and National Treasury was established to investigate ways and means to address constraints in the State's procurement conditions and procedures and to make it easier for small, medium and micro enterprises (SMMEs) to participate in the procurement process.

1.5.7.2 The National Task team developed the Ten Point Plan, which was approved by National Cabinet on the 14th of February 1996, providing the following outlines:

a) ***Preparation and distribution of tender information:***

Government should assist with the preparation and distribution of information on tenders in a simple format to interested organisations and enterprises.

b) ***Tender Advice Centres:***

Government should establish tender advice centres to assist enterprises with the preparation of tenders.

c) ***Database of suppliers:***

Government should revise its existing database of suppliers with a view to accommodating SMMEs.

d) ***Guarantees / Securities:***

The requirement of security for all contractors bidding for contracts with a value of R100 000 (one hundred thousand rand) or less should be withdrawn, to assist small entrepreneurs in the construction industry.

e) ***Unbundling of large projects:***

Acquiring of services and goods must be broken up in the smallest possible units, without having to impact on quality, time and cost.

f) ***Payment of suppliers:***

Payment of suppliers must be within thirty (30) days.

g) ***Procurement preferences:***

Preferences must focus on persons in the small, medium and micro sectors that were disadvantaged through unreasonable discrimination.

h) ***Simplified tender documents:***

Tender application forms will be simplified to make it easier for small businesses to deal with the paper work involved in tendering.

i) ***Procurement Ombudsperson:***

An ombudsperson will be appointed to investigate fast and effective responses to complaints by private enterprises.

j) ***Creation of an enabling environment:***

Steps must be taken to assist with the establishment, regulation and promotion of an environment that will meaningfully and effectively favour SMME's.

1.5.11 The Reconstruction and Development Programme (RDP) - A Policy Framework of 1994

1.5.11.1 The ANC's publication "*The Reconstruction and Development Programme – A Policy Framework of 1994*" also sets out an integrated, coherent socio-economic policy framework to mobilise all our people and resources towards the eradication of past policies.

1.5.11.2 These principles are to be applied in the Northern Cape Provincial Government's infrastructure and services provision, as well as its maintenance and refurbishment programmes. These principles are:

- a) An integrated and sustainable long-term programme.
- b) Democratising and accountable processes.
- c) Developing human resources at all levels.
- d) Building and stimulating the local economy.

1.5.12 The Expanded Public Works Programme (EPWP)

- 1.5.12.1 The implementation of a Contractor Development Strategy is also in line with Government's EPWP. A key to the success of the EPWP is that all role players are fully conversant with labour intensive construction methods and practices.
- 1.5.12.2 Contractors, in planning and execution of projects, play a prominent and indispensable role in ensuring that EPWP principles are embedded in projects to enable the Provincial Government to meet and/or exceed its EPWP targets.

CHAPTER 2

2.1 Challenges with the Implementation of the CDP

- 2.1.1 As mentioned above, the departmental CDP Review highlighted key challenges in the implementation of the CDP.
- 2.1.2 Diagram 1 on the next page demonstrates the major contractor development challenges the departmental CDP is confronted with and in section 2.2, the key corrective measures to address such challenges are unpacked.

Diagram 1: CDP Challenges

CONTRACTOR DEVELOPMENT CHALLENGES	
<p>Demand-side Support:</p> <p>Number of contractors who received construction contracts was insufficient. The inadequate institutionalization of the CDP into the DR&PW business processes is central to the low number of construction projects identified.</p>	<p>Supply-side Support:</p> <p>Support through mentorship, training and finance have not been fully implemented. The previous CDP was largely demand-side driven, with inadequate supply-side support measures resulting in only a few contractors being upgraded in the CIDB RoC.</p>
<p>Monitoring and Evaluation (M&E):</p> <p>Poor adherence to the CDP Policy and procedures and lack of transparency and uniformity in implementing the CDP.</p>	<p>Staffing and Programme Capacity:</p> <p>Lack of understanding the basic principles of contractor development. Lack of commitment to make available an adequate budget (which in certain instances require ring-fenced funds) for contractor development. Inadequately skilled and dedicated staff to drive the programme.</p>
NATIONAL CONTRACTOR DEVELOPMENT FRAMEWORK (NCDP)	

2.2 Corrective measures through the National Contractor Development Programme (NCDP)

2.2.1 The NCDP Framework has been developed to address most of the above challenges and contains the following key recommendation:

2.2.1.1 The DR&PW Directorate EPWP will have to, together with the CIDB align this policy to the NCDP, which is also representative of the National Department of Public Works' (DPW) umbrella strategy for contractor development.

2.2.1.2 Corrective measures to address CDP challenges:

- a) Compliance with the NCDP will be prioritised to enhance the implementation of the CDP.
- b) Adherence to the CDP Project Identification Guidelines for planning and the identification of adequate and suitable work opportunities for the CDP.
- c) CDP Procurement Guidelines will ensure that tender opportunities identified for the CDP are allocated exclusively to CDP participants (who will form part of a new transparent intake, and a targeted, sustainable number of contractors selected via specific criteria aligned to the guidelines on such, and within a context of competitive tendering amongst these contractors) to ensure sustainable contractor development.
- d) There is a need for effective and centralised co-ordination and management, with adequate expertise and experience to manage the CDP. An adequate budget must be allocated to ensure effective implementation of the CDP – the quarterly reports will be circulated and tabled to the CDP Management Team Meetings (held quarterly) and the NCDP Steering Committee Meetings (held bi-annually).

- e) CDP implementers should have clear job descriptions, outlining responsibilities and delegations. The CDP deliverables should also be included in the performance contracts of all relevant officials including the District Managers, to ensure alignment of the DR&PW's strategic and operational objectives and outcomes.
- f) The responsibilities for the staff should be differentiated from other DR&PW initiatives such as the implementation of the NYS and other skills development programmes.
- g) An adequate, dedicated and skilled staff component to manage the programme will assist in ensuring that the contractor development goals as set out in the NCDP are met.
- h) All the members of the DR&PW delivery/supply chain, inclusive of CDP implementation teams must understand the importance and goals of the CDP and the role that the programme plays in the cycle of contractor development as set out in the NCDP.
- i) The focus of the CDP, as recommended in the NCDP Framework, should be on contractors that have the potential for development and reaching the goals of the CDP and the role that the programme plays in the cycle of contractor development as set out in the NCDP.
- j) All contractors that are enrolled into the CDP, must enter into a performance contract with the DR&PW.
- k) As proposed in the NCDP, the maximum duration for a contractor to participate in the CDP is three (3) years with intensive development support. To avoid creating a dependency syndrome, the CDP stipulates that quarterly and annual contractor assessments be conducted to determine the contractors' progress and level of development. In the event of a contractor, through the CDP sustainability indicators (and/or CIDB contractor competence standards) is found to have attained the required level of sustainability, the contractor ought to exit the programme without

having to complete the required three (3) years.

- l) The contractors that meet the required sustainability/competence requirements should exit the programme through the CDP Exit Strategy as outlined in the section on Contractor Entity Performance Enhancement and/or the CDP guidelines on exit.
- m) A contractor that fails to comply with the minimum requirements should exit the programme through the CDP Exit Strategy as outlined in the section on Contractor Entity Performance Enhancement and/or the CDP guidelines on exit.
- n) A contractor that fails to comply with the minimum requirements for continued participation in the CDP as stipulated in the CDP Performance Contracts, would be removed from the CDP, following the prescribed disciplinary process.

CHAPTER 3

3.1 The Revised CDP - 2016

- 3.1.1 This revised CDP Policy (2016) makes provision for the placing of advertisements that target companies registered on the CIDB RoC between grades 2 (two) and 6 (six). Responsiveness and evaluation criteria is used to evaluate and select applicants prior to registration on the programme and upon satisfaction of the stipulated criteria, contractors are then registered as participants in the CDP register (which serves as an incubator).
- 3.1.2 A detailed breakdown of the aforementioned criteria is available in Annexure A: *Guidelines for Contractor Identification and Selection*.
- 3.1.3 Projects between R1 (one) million and R13 (thirteen) million are identified by the DR&PW for the CDP, and once a project is identified and awarded, a mentor is

appointed to support the contractor.

3.1.4 An enabling environment is created and includes:

3.1.4.1 Steady access to work: Opportunities achieved through sourcing contractors on CDP-designated projects from the CDP list of contractors.

3.1.4.2 Supply side measures: To support the growth of the enterprises participating in the CDP through a structured training and mentor ship-centred enterprise development programme. Other support elements include access to training, finance, information and institutional support.

3.2 Constraints on the Growth of Emerging Contractors

3.2.1 The CIDB, as part of its Status Quo Report (2004) indicated that a large number of emerging contractors have focused on public sector tendering for projects between the R500 000 (five hundred thousand rand) and R2 (two) million range.

3.2.2 The CIDB Quarterly Monitors demonstrate an oversupply of contractors at the lower levels of the CIDB RoC, thus compromising sustainability as well as a high rate of failure, particularly in the emerging construction enterprises as a result of demand volatility and high levels of competition.

3.2.3 CIDB Registration Statistics: Information and analysis of December 2015, indicate that the bulk of small, largely black-owned contractors are registered in categories 1 (one) and 2 (two), mainly in the General Building and Civil Engineering categories. A total of over 125 000 (one hundred and twenty five thousand) companies are registered in the CIDB register and over ninety per cent (90%) of the totals are in Grades one (1) and two (2), with about ninety five per cent (95%) of those being black-owned.

- 3.2.4 A large number of contractors in lower grades compete for fewer work opportunities, whereas for contractors in higher grades there are more work opportunities, because there are fewer companies to compete with and fewer public sector clients and they are packaging (bundling) their projects in such a manner that focuses on those levels.
- 3.2.5 Bigger and more complex projects are available for Grades seven (7) and eight (8) than are available for Grades three (3) and four (4) contracts. This creates a strong need for lower level contractors to become sustainable and grow in order to meet the demand of higher levels.
- 3.2.6 The CIDB Register further indicates that a number of contractors de-registered by the CIDB, due to non-compliance with the minimum registration requirements, which was over 5 000 (five thousand) contractors (+5% (five per cent) of the total registered contractors).
- 3.2.7 Other constraints include the lack of access to finance and credit, poor management and technical skills, and ineffective support. Collectively, these constraints limit the growth of emerging contractors, despite the opportunities provided for by government's affirmative procurement policies.

3.3 Alignment of the CDP to the NCDP

- 3.3.1 The DR&PW, through the NCDP framework, addresses the challenges that continue to affect emerging contractors to ensure the adoption of common and best practices in Contractor Development (CD).
- 3.3.2 This Revised CDP Policy (2016) provides solutions to the afore-mentioned contractor development challenges and as previously mentioned above, the CDP is one of the key programmes through which the DR&PW facilitates and promotes CD in pursuit of its objectives of transformation, growth and development of the construction industry.

3.3.3 In aligning the CDP to the NCDP, the DR&PW will facilitate the implementation of the NCDP framework through:

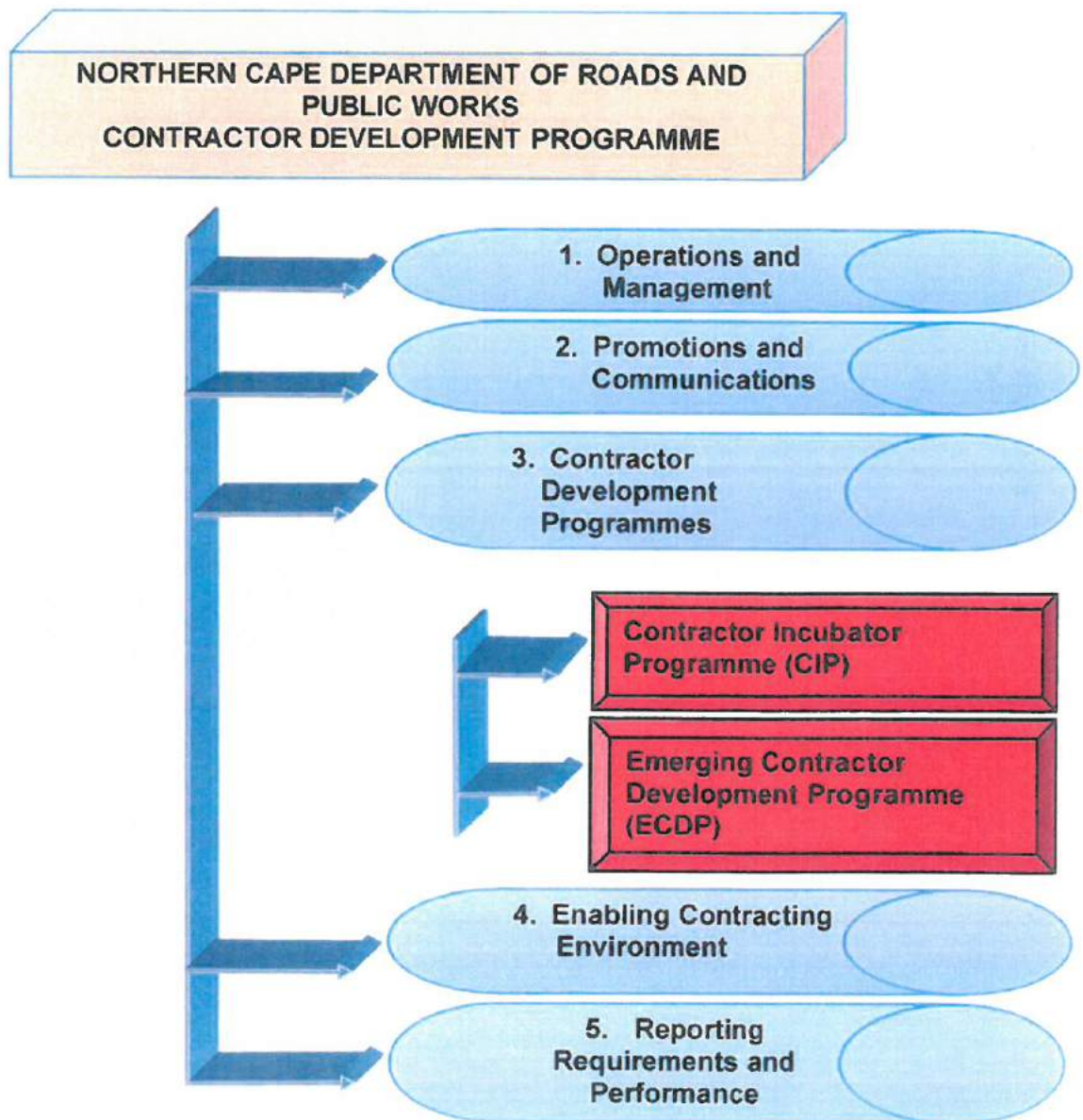
- 3.3.3.1 Revision of the CDP Strategy to align the CDP with the NCDP.
- 3.3.3.2 Development of new guidelines to enhance the implementation of the CDP.
- 3.3.3.3 In instances where conflict may still exist with the NCDP framework or the implementation of CDP guidelines, these will take precedence over this Policy.

3.3.4 This Revised Policy has been drafted within the context of a development framework and makes provision for the following:

- 3.3.4.1 Operational and Management Procedures, inclusive of legislative compliance, staffing requirements, and the development of a Contractor Database.
- 3.3.4.2 Promotions and Communication, which refers to the Department's communication strategy with stakeholder groups.
- 3.3.4.3 Roll-out of the Contractor Development Strategy, which is based on the lessons and experiences of the Emerging Contractor Development Programme and the Contractor Incubator Programme, and supported by skills development of contractors.
- 3.3.4.4. An Enabling Contracting Environment, which focuses on the strategic alignment of contractors and projects; the simplification of tender documents; the setting of affordable sureties; user friendly procurement procedures; appropriate quick payment procedures; appropriate permissions/delegations; appropriate contractor's "all risks" insurance; the provision of technical management support services; and the provision of training services.

3.3.4.5. Reporting Requirements and Performance Measurement to ensure that the correct reporting procedures are complied with and that the performance and achievements of this Contractor Development Policy are strictly monitored.

Diagram 2: The CDP Framework



3.3.1 Targets for CDP Implementation

- 3.3.1.1 In setting its objectives, and targets for allocating project opportunities for the CDP, the DR&PW is guided by the B-BBEE Act (No. 53 of 2003), in particular the Construction Sector Charter Codes gazette by the DTI in 2009.
- 3.3.1.2 The DR&PW will also utilize the statistics from the CIDB to identify gaps and areas of targeted development, as well as the CIDB Guidelines for Targeting.
- 3.3.1.3 It is important to note that targets for the CDP will be linked to the total value of awarded projects in designated grades (**grades two (2) to six (6)**) as determined by the DR&PW's Projects and Supply Chain Management's APP targets.
- 3.3.1.4 It is envisaged that during the 2016/17 Financial Year, an active list of contractors will be established; thereafter implementation will commence. Participating contractors will exit the programme after three (3) years.
- 3.3.1.5 Furthermore, the implementation of the CDP will be incorporated as part of the performance measurements of the relevant managers in the operational units as mentioned above.
- 3.3.1.6 The performance of the CDP will be reported quarterly to the CDP Management Team and the CIDB Provincial CD Forum. Reports will be circulated on a quarterly basis and will then be presented by the CIDB to the bi-annual NCDP Steering Committee meetings, for monitoring and assessment.

3.4 The Contractor Development Component

- 3.4.1 In line with the NCDP, the CDP will comprise of various components of the development process through which specific support interventions will be provided to enable contractors to achieve the required sustainability levels as the developmental outcome.

- 3.4.2 This Policy will ensure provision and facilitation of support interventions to the contractors registered on the **CIDB grades two (2) to six (6)**.
- 3.4.3 This component comprises several sub-components, starting at the learner contractor component and progressing to the stage which focuses on developing the contracting enterprises (i.e. focusing on business development), together with a focus on improving the performance of contractors.
- 3.4.4 These sub-components are described and shown diagrammatically in Table 1 below.

Table 1: CDP Contractor Development Components

CDP CONTRACTOR DEVELOPMENT COMPONENTS	
Component: Contractor Development	
Sub-component: <i>Contractor Incubation Programme (CIP)</i>	CIDB Grades 2-4
Sub-component: <i>Emerging Contractor Development Programme (ECDP)</i>	CIDB Grades 5-6
CDP EXIT STRATEGY	
Contractor Entity Performance Enhancement	
<i>Performance Enhancement and Improvement Programme (PEIP)</i>	CIDB Grades 7-8

3.4.4.1 The Contractor Incubation Programme (CIP)

- a) The CIP is an intervention that involves assisting an enterprise to begin growing and developing markets for its services, leading to:
- i) Expansion of its workforce.

- ii) Expansion of its areas of operation.
 - iii) Accumulation of capital for future growth.
 - iv) Expansion of plant and equipment.
 - v) Upgrading of business and technical systems.
- b) The component targets between CIDB grades two (2) to four (4) are indicative of those contractors who exhibit potential to develop.
- c) Key instruments which will be utilised, are structured developmental support provided by means of the CDP, or through a structured relationship with an established contractor.
- d) The developmental support provided, will be guided by the competence standards set by the CIDB Best Practice Contractor Recognition Scheme, including the CIDB Standard for Indirect Targeting for Enterprise Development.

3.4.4.2 The Emerging Contractor Development Programme (ECDP)

- a) The ECDP sub-component will launch and manage interventions to assist the more established emerging enterprises to introduce best practice systems for example for health and safety, quality management, environmental management, in order to improve their performance.
- b) This component will target the **CIDB grades five (5) and six (6)** contractors who exhibit potential to develop. The key instruments to be used will typically be structured procurement-driven relationships specifying developmental support to the targeted developing contractors that is aligned with the (draft) CIDB Best Practice Contractor Recognition Scheme, including the CIDB Competence Standard for Contractors.

- c) The DR&PW will pre-allocate funding as part of the project costs to assist the contractors to develop the above-mentioned systems and best practices in their enterprises through training, mentor ship and other support.
- d) Furthermore, funding will also be sourced from other relevant agencies such as the CETA, commercial banking, or intermediary financiers/partners.
- e) The allocation of contractors to the ECDP component will depend on:
 - i) The level of development or capacity of the contractor.
 - ii) The Contractor's potential and progress in a component.
 - iii) The amount and type of work completed by the contractor.

3.4.4.3 The Contractor Entity Improvement and Performance Programme (CEIPP) - Exit Strategy

- a) The CEIPP component is the CDP Exit Strategy that involves contractors who have performed well and successfully graduated from the CDP (after satisfying the sustainability/competence indicators).
- b) Contractors will be offered limited support comprising mainly of interventions to further enhance contracting entities to compete and perform in the domestic and international markets.
- c) The contractors will be assessed against a benchmark framework that is measurable and aligned to the (draft) CIDB Competence Standard for Contractors and the CDP guidelines. Where relevant formal qualifications have not been obtained, the contractors will be assessed using the CIDB's APL system and tool kit.
- d) This sub-component will incorporate the facilitation of forums for networking and business linkages between contractors, introducing concepts around business

clustering, mergers and strategic alliances. Benchmarking will also be facilitated and encouraged. These key instruments will be used, not only to enhance performance, but also to provide a solid corporate business base, to target long-term growth strategies, and to minimize risks, while maximizing business leverage.

- e) Strategies will be developed by the DR&PW to encourage the adoption of the above-mentioned Performance Enhancement and Improvement interventions by the participating contractors.
- f) It should be noted that there are overlaps in the contractor grades between the various contractor development components. For the purposes of this document the CIDB grades are utilised to illustrate the potential contractor size or capacity per component.

3.5 The Contractor Development Model

3.5.1 Predefined Targets of the CDP

This Policy proposes prioritisation of specific targets as per the targeting guidelines and pre-set criteria. The CDP Development Model will include the following aspects:

3.5.1.1 Identification of Potentially Emerging (PE) Contractors

PE registered contractors on the CIDB register are eligible to be considered for inclusion on the CDP, provided that they meet the pre-defined selection criteria.

3.5.1.2 Direct and Indirect Targeting of Contractors for the CDP

The DR&PW will invite contractors to enlist on the CDP programme, and thereafter tender on CDP projects, by applying direct (CDP contractors to tender as main contractors) as well as indirect targeting and by encouraging established contractors to partner with CDP contractors through JVs and subcontracting on non-CDP projects.

3.5.2. Selection Criteria of the CDP

3.5.2.1 Application for Admission to the CDP

- a) The DR&PW will call for applications from contracting enterprises to be enrolled on the CDP. The call for applications will be issued with a set of responsiveness and evaluation criteria.
- b) Successful applicants will be registered as CDP participants on the DR&PW approved CDP Contractors List and will sign a performance contract. It is important to note that being enrolled in the CDP, does not guarantee the contractor work/contracts from the DR&PW, as they will still have to competitively tender for such work within the CDP.
- c) Awarding of contracts will be in alignment with CIDB Practice Note 29: Allocating Sustainable Work Opportunities to Contractor Development Programmes (July 2012) and the draft CIDB Practice Note 32: Application of the Potentially Emerging (PE) Status.

3.5.2.2 Exit Criteria of the CDP

- a) Contractors will exit the CDP after a maximum period of three (3) years.
- b) Contractors that achieve the predefined criteria relating to skills (including recognition in terms of the CIDB Competence Standard for Contractors), qualifications, certification, sustainability and quality will 'graduate' from the CDP.
- c) Upon graduation the contractors will move into the CDP Exit Strategy.

3.6 Key Enabling Mechanisms of the CDP

3.6.1. CDP Demand-side Support Strategies

- 3.6.1.1 Part of the critical elements for the success of the CDP, is to ensure sufficient availability of work opportunities for contractors within the programme. This can

only be achieved through incorporating the CDP into the DR&PW's MTEF (five year) planning cycle of projects to ensure that the CDP objectives are included in the broader government planning processes, such as the GIAMA and NIMS processes, as well as mainstream procurement strategies that package projects in a developmental manner.

- 3.6.1.2 It is essential that the CDP constantly ensures a balance between supply and demand-side strategies, through correlation in the number and grading of contractors within the programme, to the volume of available work opportunities. This balancing has to be reviewed regularly to facilitate the development of sustainable enterprises. The *CDP Project Identification Guideline* will assist with implementation in this regard.

3.6.2. CDP Demand-side Management Measures

- 3.6.2.1 Use will be made of a JCC and the GCC standard contract documentation to simplify conditions of contract. Contractor training shall be provided to ensure that a basic knowledge and understanding of contract conditions are cultivated with contractors.
- 3.6.2.2 Adequate quality control through appropriate inspection to enhance contractors' development will be conducted.
- 3.6.2.3 An appropriate budget for the CDP will be allocated to provide work opportunities that will sustain all participants. (Note that the number of contractors to be enrolled into and supported by the CDP will be limited by the affordability for the DR&PW to provide work opportunities that will sustain all participants).

3.6.3. CDP Supply-side Support Strategies

- 3.6.3.1 The DR&PW, through partnering with key contractor development agencies such as the CIDB provincial offices, SMME support institutions and training

providers, will co-ordinate the supply-side support initiatives provided to the CDP contractors.

3.6.3.2 In terms of CDP projects, the operating unit must co-ordinate access to resources, processes and support required to incubate the contracting enterprises. Incubation can be accessed only after successfully registering as a CDP contractor and will be provided for a period of three (3) years. Through its internal resources and the above mentioned partnerships, the DR&PW will provide information and assistance to link contractors to the available sources of supply-side support such as:

- a) Access to finance and credit.
- b) Access to materials and plant.
- c) Access to technology, information, networking and business linkages.

3.6.3.3 This support is intended to assist the contracting enterprises with their development needs. However, the DR&PW will not be directly responsible for the provision of the supply-side support. Through the above mentioned linkages and the provision of information, the contractors are expected to take the initiative to access the various support measures available in the market and this may include the contractors carrying some of the costs associated with accessing support or showing an initiative to access the available support services.

3.6.4. CDP Training Programmes

- 3.6.4.1 The CDP will fund and provide the necessary training programmes, aligned to the CIDB Competence Standard for Contractors.
- 3.6.4.2 All the CDP training programmes must be accredited through the NQF and SAQA by the relevant SETA's.

- 3.6.4.3 The DR&PW will engage and partner with training service providers to provide training to the CDP contractors.

3.6.5. CDP Mentor ship Programmes

- 3.6.5.1 The CDP will fund the necessary mentoring programmes. In ensuring the provision of quality service by mentors, all CDP mentor ship service providers will be registered with the SACPCMP as Professional Construction Mentors.
- 3.6.5.2 The SACPCMP is a statutory body, empowered to register mentors as Professional Construction Mentors. The DPW, in partnership with the SACPCMP, will ensure provision and development of quality construction mentor ship services. Training and mentor ship reports will be used as tools for continuous contractor performance assessment, monitoring and evaluation.

3.6.6. CDP Access to Finance

- 3.6.6.1 Financial institutions will be engaged to develop and provide suitable and accessible financial services to the contractors in the CDP.
- 3.6.6.2 Partnerships between the DPW and the financial institutions should entail financial performance criteria to ensure access to finance to the financially viable contractors within the CDP.

3.6.7. CDP Access to Technology, Information and Business linkages

- 3.6.7.1 Being registered on the CIDB RoC, the CDP contractors have full access to the services and information provided through the CIDB provincial offices.
- 3.6.7.2 The CIDB provides contractors with facilities and avenues for networking among themselves, with established companies, associations and with service providers, including financiers. This provides the contractors with opportunities

to enter into JV's, subcontracting and other business opportunities.

3.7 Contractor Development Mechanisms

3.7.1 In creating an enabling environment for the sustainable growth of contractors, the CDP will draw on mechanisms created through the NCDP, enabling contractors to gain the necessary experience, track record and capital growth.

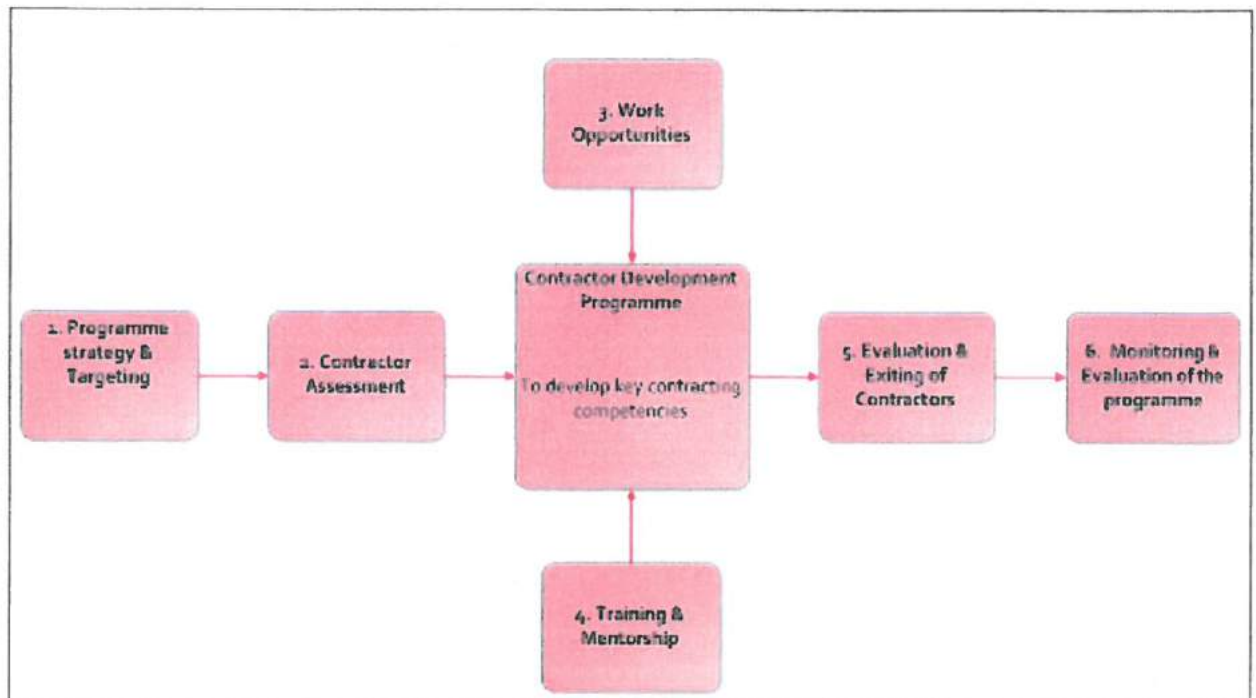
3.7.2 These initiatives include the following:

3.7.2.1 Alignment, and where necessary, review of JVs, direct contracts, subcontracts and other appropriate mechanisms, thereby improving the business, technical and operational performance of these mechanisms.

3.7.2.2 Facilitation of the performance improvement of contractors by implementing the (draft) CIDB Best Practice Contractor Recognition Scheme and the Best Practice Project Assessment Scheme and continued performance improvement of contractors, aimed at improving their CIDB grading.

3.7.1. **Diagram 3 below, illustrates elements of a well-structured Contractor Development Programme (CDP):**

Diagram 3: Generic Elements of a Contractor Development Programme



PLEASE NOTE: The above diagram illustrates a generic model for CD and has been taken from the CIDB NCDP Framework of September 2011.

CHAPTER 4

4.1 Monitoring, Evaluation and Reporting

4.1.1 This aspect of the Policy will focus on the alignment of the programme implementation processes with this CDP revised policy, its guidelines and objectives. This will be carried out through monitoring and evaluation of the policy and programme's impact on CD as determined through the CDP sustainability indicators. The Chief Directorate: EPWP will facilitate the monitoring and evaluation of the CDP

through quarterly reports and bi-annual CDP Management Team meetings.

- 4.1.2 The CDP Monitoring and Evaluation Framework will be implemented to monitor the achievement of outputs and targets of the programme. Monthly, Quarterly and Annual Performance Reports will be developed to facilitate the improvement and refining of the CDP implementation as it unfolds.
- 4.1.3 Quarterly reports in the prescribed format as set out by the CIDB will be provided by the respective provincial and National branches to the Provincial CD Fora, and to the bi-annual NCDP Steering Committee Meetings.
- 4.1.4 The evaluation of the programme is considered an essential element to provide feedback and lessons that can be extracted, in order that the programme can be periodically modified and refined.
- 4.1.5 Annual reviews of the programme will be undertaken, and the CIDB will provide quarterly commentary/analysis. Mini reviews will also be conducted as issues arise or to clarify a particular focus area, sector or component. Lessons learnt will be documented and published. Corrective actions and interventions will be taken and recommended for implementation by the relevant units.
- 4.1.6 At the end of the three (3) years of implementation, a comprehensive programme review will be undertaken to assess and evaluate the CDP performance, in line with its objectives and to realign and enhance the future implementation of the programme .

4.2 Key Stakeholders

- 4.2.1 A variety of stakeholders will be identified for involvement with the CDP based upon their willingness to participate, support the programme and/or commit appropriate resources to the programme.

4.2.2 Stakeholders internally and externally that are willing to subscribe to the CDP and commit resources include:

- 4.2.2.1 Contractors: Key partners and beneficiaries of the CDP.
- 4.2.2.2 The DR&PW: To support the CDP through planning, developing guidelines, implementation and provision of information and resources for CDP implementation.
- 4.2.2.3 The CIDB: Key partner to provide support to the DPW, in order to align the CDP with the NCDP and the CDP guidelines (Annexures A,B and C of this Policy) and reporting. The NCDP facilitates co-ordination and provision of best practice guides, contractor grading statistics, contractor registration and other support through the Provincial CIDB offices.
- 4.2.2.4 The EPWP: Focused on job creation and learner ships, as well as accessing of funding for the development of contractors. Sharing of knowledge and best practices through the NCDP.
- 4.2.2.5 The DR&PW Clients: Provide projects and resources through which contractor development can occur.
- 4.2.2.6 Provincial Public Works: Partners and co-implementers of contractor development programmes aligned to the NCDP.
- 4.2.2.7 Other government departments on provincial and municipal level which is involved in infrastructure delivery and maintenance: Other partners and co-implementers of contractor development programmes aligned to the NCDP.
- 4.2.2.8 Private sector and contractor associations: Contractor and skills development partners through training, mentoring, JV's and subcontracting. Partners in developing an organised and progressive contracting sector.

- 4.2.2.9 CETA/SETAs: Provision of training and skills development funding, resources and support.
- 4.2.2.10 Banks and financing organisations: Partners in the provision of finance, resources, information, skills and contractor development funding.
- 4.2.2.11 Materials and plant suppliers: Partners in improving access to building materials, equipment and other resources.
- 4.2.2.12 The DTI (the SEDA and other SMME development agencies): Partners and co-implementers of current and new contractor development programmes aligned to the NCDP. Providers of knowledge and other resources for SMME development; and other stakeholders who are willing to commit resources and/or other contractor development support.

4.3 Communication Strategy

- 4.3.1 Effective communication of best practices, guidelines, challenges, lessons and benefits of the CDP to all stakeholders will form a major focus of the programme and is a collective responsibility of the collaborating partners.
- 4.3.2 Stakeholder communication focuses on maintaining appropriate relationships with the stakeholders for success of the CDP. Communicating the programme to other Public Enterprises and obtaining participation that will ensure maximised opportunities for enterprises under incubation.

4.4 Programme Management

- 4.4.1 The CDP Management Team at the DR&PW Head Office will comprise of the following units:
 - 4.4.1.1 EPWP – Innovation and Empowerment.

4.4.1.2. EPWP – Community Based projects.

4.4.1.3. EPWP – Monitoring and Evaluation.

4.4.1.4. SCM.

4.4.1.5. The Roads Directorate.

4.4.1.6. The Public Works Directorate.

4.4.1.7. The District Offices.

4.4.2 The Team will, according to their respective functions, be responsible for the overall co-ordination of the CDP, such as annual planning, co-ordination and control, facilitation of the demand and supply-side support, facilitation of contractor access and exit to the CDP, risk management, programme review and improvement and communication.

4.4.3 The DR&PW's EPWP Sub-Directorate Innovation and Empowerment will be responsible for the implementation of the CDP at District as well as Provincial level. The Sub-Directorate is mainly responsible for:

4.4.3.1 Identification and allocation of CDP projects.

4.4.3.2 Respective provincial budget and CD resources.

4.4.3.3 Monitoring the procurement of CDP projects.

4.4.3.4 Monitoring contractor performance on CDP projects (through receiving and analysing reports on contractor, mentor and project performance).

4.4.3.5 Monitor the effectiveness of the CDP supply-side support.

- 4.4.3.6 Make recommendations on necessary interventions to enhance programme performance, in line with CD policy directives.
- 4.4.3.7 Report on the CDP performance to the Head Office of the DR&PW.

4.4.1. Planning

- 4.4.1.1 The CDP Management Team must ensure that all the relevant DR&PW units adhere to the CDP targets and guidelines in terms of project identification, contractor identification and provision of support.
- 4.4.1.2 The Team must co-ordinate the annual planning of the programme and ensure alignment of budgets. During strategic planning and budgeting processes, the CDP Management Team must ensure that a sufficient number of suitable projects are identified to promote the sustainability of the CDP.

4.4.2. Programme Review

- 4.4.2.1 An important aspect of the CDP will be the continuous realignment of mechanisms in the light of lessons learned.
- 4.4.2.2 The programme will therefore be characterised by regular review sessions to facilitate improvement.

4.4.3. Risk Management

The Programme Management Team will undertake on-going risk management through the identification, quantification and mitigation of risks. The departmental Risk Management Policy and Strategy will also be utilized as guidelines in this regard.

4.4.4. Roles and Responsibilities

- 4.4.4.1 The roles and responsibilities of Head Office and the District Offices are outlined as follows:

- a) The departmental EPWP Innovation and Empowerment Manager at the Head Office is responsible for overall management and providing strategic direction to the programme.
 - b) The CDP managers will monitor the contracting enterprises, evaluate their performance and facilitate overall contractor support.
 - c) In the districts, the District Managers are responsible for the successful resourcing and implementation of the CDP. The CDP is considered as a project in each district, with a specific project manager responsible for its overall operational performance and reporting directly to the District Manager, who then report to the DR&PW EPWP Manager: Innovation and Empowerment.
- 4.4.4.2 The CDP must be fully integrated into all the relevant DR&PW processes and policies (Planning, Supply Chain Management, Project Management etc.). This requires inputs from all the Head and District Office staff members responsible for planning and project implementation.

4.5 Policy Review

- 4.5.1 This policy is subject to review as and when deemed necessary or as required or whenever it is necessary to ensure that it is aligned to prevailing resolutions, regulations and conditions.
- 4.5.2 The policy shall be reviewed to specifically factor in changes in legal frameworks, organisational development, political and economic trends, as well as the outcomes of monitoring and evaluation processes.
- 4.5.3 Deviations from this policy must be approved by the HOD.

4.6 Recommendation for Approval

- 4.6.1 It is recommended that the Head of the Department, should the HOD concur, approves this revised Contractor Development Programme and its accompanying annexures, namely Annexure A: Guidelines for Contractor Identification and Selection; Annexure B: Guidelines for Mentor Identification and Selection; and Annexure C: Guidelines for the Identification of Projects as departmental policy.

4.7 Approval of the Policy and Date of Effect

This policy is Approved / Not Approved

Comments:

.....

.....

.....


.....

HEAD OF DEPARTMENT

DATE

SUBMISSION FOR APPROVAL OF THE DEPARTMENTAL CDP:

REVISED POLICY




MRS. A. MPOTSANG

CHIEF DIRECTOR: CORPORATE AND MANAGEMENT SERVICES

Recommended / ~~Not Recommended~~

2016-08-01
DATE



MR. K. NOGWILI

HEAD OF DEPARTMENT

Policy Approved / ~~Policy Not Approved~~

11-08-2016
DATE

ANNEXURE A

GUIDELINES FOR CONTRACTOR IDENTIFICATION AND SELECTION

1. SCOPE

1.1. This guideline is aimed at assisting the DR&PW EPWP Innovation and Empowerment Unit, which is the implementing agent of contractor development to:

1.1.1 *Identify and select suitable contractors to register on the DR&PW database of contractors.*

1.1.2 *Ensure that the contractor registration process is aligned to the objectives of the National Contractor Development Programme (NCDP).*

1.2. The registration of contractors should be applied in conjunction with SCM Procurement Guidelines.

1.3. The identification and selection of contractors should follow the identification of projects to ensure that the quantity, nature and size of contractors selected are suited to the available projects as indicated in this departmental Policy.

1.4. The DR&PW's EPWP Innovation and Empowerment Unit will ensure that the type of contracts, the available supply-side measures and the selection of contractors are aligned.

2. APPLICATION FOR ADMISSION

2.1. The Innovation and Empowerment Unit will advertise, through the DR&PW Supply Chain Management (SCM) Directorate, in the local and regional media, requesting contractors to apply to be registered on the DR&PW Database of Contractors. The Innovation and Empowerment Unit shall co-ordinate the advertising process, specifically also as far as media is concerned, to ensure uniformity and compliance

to guidelines.

- 2.2. The advert will include a set of responsiveness and evaluation criteria upon which the short-listing and selection of suitable applicants will be undertaken. The application forms will also contain instructions regarding the format and content of applications, the availability of *pro-forma* application forms and the closing date of applications.
- 2.3. The CIDB's Register of Contractors (RoC) will be used to determine the targeted quota for the various works capability categories in relation to the Department (i.e. matching the number of contractors targeted for each category to the number of departmental work opportunities available in that category).
- 2.4. If sixty per cent (60%) of the DR&PW building programme is civil and building projects requiring contractors between grades two (2) to six (6), then at least sixty per cent (60%) of the targeted contractors should be in aforementioned categories.
- 2.5. Targeting must ensure that in the grades and categories where there is a shortage of targeted contractors, these grades and categories are prioritized, e.g. black contractors above grade six (6) and the Mechanical Engineering categories above grade two (2).

3. RESPONSIVENESS ASSESSMENT

3.1 Responsiveness Criteria:

The application must meet the following criteria in order to be considered:

- 3.1.1 The application must meet all the requirements as stipulated in the advert.
- 3.1.2 The application form must have been fully completed and signed.
- 3.1.3 Alterations, if any, must comply with instructions.

- 3.1.4 Applications must be registered on the CIDB RoC between grades two (2) to six (6), in the relevant works capability or category (i.e. civil and building).
- 3.1.5 Primarily, contractors with a PE status are eligible to submit expression of interest.
- 3.1.6 Only Northern Cape Based Contractors are eligible to register for the DR&PW's Contractor Development Programme.
- 3.1.7 Successful applicants will be required to sign a Performance Contract.

3.2 Preferential criteria:

The application must meet the following criteria in order to be considered:

- 3.2.1 The Potentially Emerging (PE) status of the contractor shall indicate the qualification in terms of Preference.
- 3.2.2 Applicants are to be evaluated in accordance with the DR&PW's Supply Chain Management Policy, which conforms to the provisions of the Preferential Procurement Policy Framework Act of 2000 (Act No. 5 of 2000).
- 3.2.3 Fraudulent claims will result in rejection of the applications and may result in removal of the applicant from the Department's relevant Register of Contractors.

4. EVALUATION AND FUNCTIONALITY (Quality)

The DR&PW's EPWP Innovation and Empowerment Unit will apply the following criteria to compile a pre-evaluation sheet for the Evaluation Committee to determine the contractor's responsiveness:

Functionality (quality) will be scored using the following categories:

4.1 The contractor classification:

The contracting enterprises must have a proven record of managing general building contracts, including the management of civil, electrical, mechanical and

other specialist sub-contractors.

4.2 Construction experience:

The contracting enterprise must understand the construction processes through past involvement in construction environment-related activities (e.g. construction project management, general contract management and site management) or past training in a construction-related field.

4.3 Access to skilled staff:

The contracting enterprise must provide proof of its access to skilled staff with appropriate technical and managerial qualifications and knowledge to execute the work. Proof may be in the form of a signed employment contract or any other legally enforceable document.

4.4 Financial upgrading factor:

The contractor will be assessed to determine the financial upgrading factor and to measure how close the contractor is to the next grade designation. The financial upgrading factor is determined in line with the requirements of the CIDB RoC, based on best annual turnover and available capital.

4.5 The level of a contractor's development:

- 4.5.1 The information provided by the contractors in the relevant sections of the application form will indicate the contractor's level of understanding and application of the various construction business processes and systems.
- 4.5.2 The purpose of the assessment is to assess the suitability of contractor enrolment into the Contractor Development Programme. It will also be used to make a determination of training and mentor ship requirements.
- 4.5.3 The applicants that fail to achieve a minimum score of sixty (60) out of one hundred (100) for functionality will be deemed unsuccessful. This number is an arbitrary figure, determined by the target quota for the specific categories of

contractors. The Functionality criteria is stipulated in Table 1 below:

Annexure A, Table 1: Contractor Functionality (Quality) Criteria

Criteria	Minimum Acceptance Score
Proof of construction experience (track record)	20
Construction project management experience	20
Access to a skilled resource base	20
The level of a contractor's skills development	20
Financial Viability and Sustainability	20
Total	100

4.5.4 Indicators for the Rating of Contractor Functionality (Quality) Criteria:

The Indicators for the rating of quality is stipulated in Table 2 below:

Annexure A, Table 2: Indicators for Contractor Functionality (Quality) Criteria:

Quality Criteria	Indicators			
	Poor (Score 1 – 5)	Satisfactory (Score 6 – 10)	Good (Score 11 – 15)	Very Good (Score 16 – 20)
Proof of Construction Experience	Limited Experience Less than 1 year	Relevant Experience Less than 2 years	Extensive Experience Less than 5 years	Outstanding Experience More than 5 years
Proof of Project Management Experience	Limited Experience	Relevant Experience but has not dealt with the critical issues specific to project	Extensive Experience in relation to project management and has done	Outstanding Experience in projects and the management of a project

		management	work previously under similar conditions and circumstances	
Access to a skilled resource base	Staff have limited levels of general experience and project specific education	Staff have relevant levels of general experience and, project specific education	Staff have extensive levels of general experience and project specific education	Staff have exceptional levels of general experience and project specific education
Level of Contractor's Skills Development	Contractor have no formal Construction Qualifications	Contractor have completed short course programs with in the field of construction	Contractors have completed a partial program in the field of construction	Contractor have completed a full qualification in the field of Construction
Financial Viability and Sustainability	Financial submitted but reflect a negative level of solvency and liquidity	Financial submitted but reflect a low level of solvency and liquidity (Below 10 ratio's)	Financial submitted but reflect a reasonable level of solvency and liquidity (Above 10 up to 20 ratio's)	Financial submitted but reflect a high level of solvency and liquidity (Above 20 ratio)

5. REGISTRATION AND NOTIFICATION

Following approval from the Bid Adjudication Committee (BAC), successful applicants will be notified in writing of the outcome of the selection process.

ANNEXURE B

GUIDELINES FOR MENTOR IDENTIFICATION AND SELECTION

1. SCOPE

1.1. This guideline is aim to assist the DR&PW Innovation and Empowerment Unit that is the implementers of contractor development to:

1.1.1 *Identify and select suitable mentors to register on the DR&PW database for contractors.*

1.1.2 *Ensure that the contractor registration process is aligned to the objectives of the National Contractor Development Programme (NCDP).*

1.2 The identification and selection of mentors should follow the identification of projects and taking into account the needs gap analysis of the contractor.

2. TERMS OF REFERENCE

2.1 It is required that a contractor development programme provides mentor ship to the contractors participating in the program in their areas of work in order to achieve the objectives of this Contractor Development Programme (CDP).

2.2 Mentors will play the leading role in the development and on-site skills transfer and other activities supporting the development of the contractors.

2.3 Mentors will be responsible for providing a full range of situational leadership roles as required in a particular project. The Mentor will be expected to advise, coach, counsel, guide, teach and tutor the contractor in order to successfully execute the work allocated to him/her to reach the expected milestones of the contract.

2.4 Mentoring will consist of mentoring contracting companies that have a ring-fenced project budget.

2.5 Hands-on mentor ship with the contracting company during the life cycle of the project. Support and the needs of the contracting company will vary and may be limited in cases of contracting companies with higher CIDB grading or categorization. Supporting needs must be evaluated and confirmed after the conclusion of the contractor's assessment process.

2.6 Mentors will, inter alia:

2.6.1 *Establish and Monitor training needs and interventions for the contractor.*

2.6.2 *Assist the contractor interpret the tender specification documents, drawings, and project plan/scheduling;*

2.6.3 *Monitor and Evaluate contractor's performance throughout the lifecycle of the project.*

2.6.4 *Assist and advise the contractor on site management issues.*

2.6.5 *Provide guidance on cash flow management.*

2.6.6 *Assist and ensure Health and Safety Requirements are adhered to on site.*

2.6.7 *Provide guidance to expedite work progress.*

2.6.8 *Monitor material handling.*

2.6.9 *Assist with resource management (induction training, medical examination, certification and approval of equipment to get access to site).*

2.6.10 Oversee quality control on site.

2.6.11 Prepare and submit a detailed MONTHLY report to the DR&PW.

3. APPLICATION FOR ADMISSION

3.1. The Innovation and Empowerment Unit will advertise, through DR&PW's SCM unit, in the local and regional media, requesting mentors to apply to be registered on the DR&PW Database for Mentors.

3.2. The DR&PW EPWP Innovation and Empowerment Unit shall co-ordinate the advertising, selection to ensure uniformity and compliance to guidelines.

3.3. The registration of mentors should be applied in conjunction with SCM Procurement Guidelines.

3.4. The advert will include a set of responsiveness and evaluation criteria upon which the short-listing and selection of suitable applicants will be undertaken.

3.5. The application forms will also contain instructions regarding the format and content of applications, the availability of *pro-forma* application forms and the closing date of applications.

4. REQUIREMENTS

4.1 A comprehensive evaluation process will be conducted to determine and categorise mentors as per the three Directorates within the Department that include:

4.1.1 Roads;

4.1.2 Public Works; and

4.1.3 the Expanded Public Works Programme(EPWP).

4.2 Each of these Directorates have specific requirements that mentor needs to adhere to ensure success. The Table below spell out what are the requirements for each

Directorate and bidders will have to indicate their preference.

- 4.3 Mentors will also be required to sign and declare adherence to the SACPCMP Code of Ethics for Mentors.
- 4.4 The list applicants will also be expected to fill in an application form requiring personal details as well as rates for:

4.4.1 Mentoring;

4.4.2 Accommodation – if needed; and

4.4.3 Travelling and other incidental expenses.

Annexure B: Table 1: Requirements and Documentation

DEPARTMENTAL CONTRACTOR DEVELOPMENT PROGRAMME:
REVISED POLICY

	ROADS DIRECTORARE	PUBLIC WORKS DIRECTORATE	EPWP DIRECTORATE
REQUIRE- MENTS	Have experience in Small and Medium Enterprises (SME) Development, including Project Management.	Have experience in SME Development including Project Management.	Have experience in SME Development including Project Management.
	Have experience in road infrastructure development	Have experience in building infrastructure development	Have experience in community development projects.
	Be qualified in the Built Environment as a Registered Professional with the relevant Council.	Be qualified in the Built Environment as a Registered Professional with the relevant Council.	Be qualified in the Built Environment as a Registered Professional with the relevant Council.
	Have a fully functional office in the Northern Cape Province.	Have a fully functional office in the Northern Cape Province.	Proof of qualification in Labour Intensive Construction (LIC) techniques – minimum LIC level 5.
	Have a Mentor ship qualification from The South African Council for the Project and Construction Management Professions - SACPCMP.	Have a Mentor ship qualification from The South African Council for the Project and Construction Management Professions - SACPCMP.	Have a fully functional office in the Northern Cape Province.
	If not, must be prepared to register	If not, must be prepared to register	Have a Mentor ship qualification from The South African Council for the Project and Construction

DEPARTMENTAL CONTRACTOR DEVELOPMENT PROGRAMME:
REVISED POLICY

	<p>with the relevant training institution to complete the Specialist Course in Mentor ship as a fulfilment of the registration viz Construction Mentor.</p> <p>Where after applicant will have to apply to the SACPCMP to be register as a construction mentor.</p>	<p>with the relevant training institution to complete the Specialist Course in Mentor ship as a fulfilment of the registration viz Construction Mentor.</p> <p>Where after applicant will have to apply to the SACPCMP to be register as a construction mentor.</p>	<p>Management Professions - SACPCMP.</p> <p>If not, must be prepared to register with the relevant training institution to complete the Specialist Course in Mentor ship as a fulfilment of the registration viz Construction Mentor.</p> <p>Where after applicant will have to apply to the SACPCMP to be register as a construction mentor.</p>
--	---	---	--

DEPARTMENTAL CONTRACTOR DEVELOPMENT PROGRAMME: REVISED POLICY

DOCUMENTA- TION	Proof of physical address. - List of references specifically in road infrastructure. - List of projects where the applicant was providing mentoring service. - Profile of business. - Registration/qualification/certificate as a mentor in the construction field. - Proof of registration with the relevant council.	Proof of physical address. - List of references specifically in build infrastructure. - List of projects where the applicant was providing mentoring service. - Profile of business. - Registration/qualification/certificate as a mentor in the construction field. - Proof of registration with the relevant council.	Proof of physical address. - List of references specifically in community development projects. - List of projects where the applicant was providing mentoring service. - Profile of business. - Registration/qualification/certificate as a mentor in the construction field. - Proof of registration with the relevant council. - Proof of LIC qualification.
--------------------	---	--	---

5. **RESPONSIVENESS ASSESSMENT**

5.1 **Responsiveness criteria:**

The application must meet the following criteria in order to be considered:

- 5.1.1 The application must meet all the requirements as stipulated in the advert.
- 5.1.2 The application form must have been fully completed and signed.
- 5.1.3 Alterations, if any, must comply with instructions.
- 5.1.4 Applications must be registered with the relevant professional bodies.
- 5.1.5 Only Northern Cape Professional Service Providers are eligible to register for the Northern Cape Provincial Department of Roads and Public Works Mentor ship Programme.
- 5.1.6 Applications will be required to sign a Performance Contract.
- 5.1.7 Applicants are to be evaluated in accordance with the Department Supply Chain Management Policy, which conforms to the provisions of the Preferential Procurement Policy Framework Act, 2000(Act No 5 of 2000).
- 5.1.8 Fraudulent claims will result in rejection of the applications and may result in removal of the applicant from the Department's relevant Register of Mentors.

6. **EVALUATION AND FUNCTIONALITY (Quality)**

The Innovation and Empowerment Unit will apply the following criteria to compile a pre - evaluation sheet for the Evaluation Committee to determine the mentor's responsiveness. Functionality (quality) will be scored using the following categories:

6.1 *Competency;*

6.2 *Professional Accreditation;*

6.1.1 Competency

- 6.1.1.1 The mentor will be assessed to determine their level of competency within their specific field of expertise
- 6.1.1.2 The competency assessment will be done in terms of formal qualifications and experience requirements or in terms of the requirements for external competence assessment.
- 6.1.1.3 The mentoring enterprises must have a proven record of managing general building contracts, including the management of civil, electrical, mechanical and other specialist sub-contractors.
- 6.1.1.4 The mentoring enterprise must understand the construction processes through past involvement in construction environment-related activities (e.g. construction project management, contract management and site management) or past training in a construction-related field.
- 6.1.1.5 The purpose of the assessment is to assess the suitability of mentor enrolment into the Contractor Development Programme.

6.2.1 Professional Accreditation

- 6.2.1.1 The mentor will be assessed to determine the compliance in terms of professional accreditation within their field of expertise.
- 6.2.1.2 The applicants that fail to achieve a minimum score of sixty (60) out of one hundred (100) for functionality will be unsuccessful. This number is an arbitrary figure determined by the target quota for the specific categories of contractors.
The Functionality is stipulated in table 2 below:

Annexure B: Table 2: Mentor Functionality (Quality) Criteria

Criteria	Minimum Acceptance Score
Proof of mentoring experience (track record)	20
Construction project management experience	20
Experience of key staff in relation to scope.	20
Mentor (s) training and skills development levels	20
Registration with relevant councils	20
Total	100

6.3 Indicators for the Rating of Mentor Functionality (Quality) criteria

The Quality criteria is stipulated in table 2 below:

Annexure B: Table 3: Indicators for Mentor Functionality (Quality) Criteria

Quality Criteria	Indicators			
	Poor (Score 1 – 5)	Satisfactory (Score 6 – 10)	Good (Score 11 – 15)	Very Good (Score 16 – 20)
Proof of Mentoring Experience	Limited Experience: Less than 2 years.	Relevant Experience: More than 2 years, less than 3 years.	Extensive Experience: More than 3 years, less than 5 years.	Outstanding Experience: More than 5 years.
Proof of Construction Project Management	Limited Experience.	Relevant Experience, but has not dealt with the critical	Extensive Experience in relation to project	Outstanding Experience in projects and the

62

DEPARTMENT OF ROADS AND PUBLIC WORKS
DEPARTMENTAL CONTRACTOR DEVELOPMENT PROGRAMME:
REVISED POLICY

Experience		issues specific to project management.	management and has done work previously under similar conditions and circumstances.	management of a projects.
Experience of key staff in relation to scope	Staff have limited levels of general qualifications and experience and project specific education.	Staff have relevant levels of general qualifications and experience and, project specific education.	Staff have extensive levels of general qualifications and experience and project specific education.	Staff have exceptional levels of general qualifications and experience and project specific education.
Level of Mentors Training and Skills Development	Mentor have no formal mentoring qualifications, but related qualification in his field of expertise.	Mentor have completed short course programs with in the field of mentoring and related qualification in his field of expertise.	Mentor have completed a partial program in the field of mentoring and related qualification in his field of expertise.	Mentor have completed a full qualification in the field of mentoring and related qualification in his field of expertise.
Registration	Mentor is	Mentor is	Mentor is	Mentor is

with relevant council and SACPCMP	registered with relevant council as a candidate in his field of expertise but not with SACPCMP as a construction mentor.	registered with relevant council as a candidate in his field of expertise and with SACPCMP as a construction mentor.	registered with relevant council as professional in his field of expertise but not with SACPCMP as a construction mentor.	registered with relevant council as professional in his field of expertise and with SACPCMP as a construction mentor.
--	--	--	---	---

5. REGISTRATION AND NOTIFICATION

Following approval from the Bid Adjudication Committee (BAC), successful applicants will be notified in writing of the outcome of the selection process.

ANNEXURE C

GUIDELINES FOR THE IDENTIFICATION OF PROJECTS

1. AIM

The aim is to assist the DR&PW EPWP Innovation and Empowerment Unit to:

1.1. Identify and select suitable projects for the Contractor Incubation Programme (CIP). This applies to grades two (2) to four (4) contractors.

1.2. Identify and select suitable projects for the Emerging Contractor Development Programme (ECDP). This applies to grades five (5) and six (6) contractors.

1.3. Ensure that the project identification process is aligned to the objectives of the National Contractor Development Programme (NCDP).

2. OBJECTIVES

- 2.1. To identify a suitable and sufficient number of projects to ensure sustainable development of the CIP and the ECDP contractors.
- 2.2. To ensure that the number of projects identified is in line with the CIP and ECDP targets as outlined in this revised departmental Contractor Development Policy.

3. CLIENT COMMUNICATION

The CDP Management Team at Head Office will, through the relevant Directorates and the District Offices, formally communicate with the clients regarding the CIP and the ECDP projects and other matters related to client funded projects.

4. SCOPE

- 4.1 In addressing the allocation of construction works contracts for developmental objectives, these guidelines aims to highlight key elements of the NCDP, within which the allocation of work opportunities to the CDP is a key element to support contractor development.
- 4.2 The NCDP guidelines confirm that government departments can identify projects which, by their nature, have the ability to assist in the development of a contractor by means of:
 - 4.2.1 *Allocating a portion of their budget for these development projects for the exclusive expenditure only to contractors within their pre-determined development programmes – this portion of the budget must be reasonable in relationship to the delivery standard required from government.*
 - 4.2.3 *Award individual projects to contractors enrolled in the CDP through a competitive process.*

4.2.4. The process for contractors to enter the programme must be through open competition.

4.2.5. Contractors that have qualified for entry are subjected to a developmental programme which must be attained within a prescribed period i.e. three (3) years.

5. PROJECT SELECTION CRITERIA

5.1. A CIP project:

5.1.1. May be sourced from the planned maintenance budget from the Roads and the EPWP Directorates.

5.1.2. Must be of such a nature that it allows for the development of an emerging contracting enterprise over a reasonable period of time (i.e. not less than six (6) months).

5.1.3. Must have a contract value range of R1 (one) million to R4 (four) million.

5.1.4. Must be based on the CIDB grade of contractors targeted. In this case, general building (GB) and civil engineering (CE) are applicable.

5.1.5. Must preferably be a project that requires routine techniques of construction work for lower level contractors.

5.1.6. Should consider project locality and these will be district based. This means that contractors in that specific district will be eligible to submit tenders, subject to the volume that is available, to ensure a competitive process. If not, then the provincial database will be used.

5.2. An ECDP project:

5.2.1. May be sourced from the Capital Expenditure budget of the Directorates Public Works

and Roads.

- 5.2.2. Must be of such a nature that it allows for the development of an emerging contracting enterprise over a reasonable period of time (i.e. not less than six (6) months).
- 5.2.3. Must have a contract value range of R6.5 (six and a half) million to R13 (thirteen) million.
- 5.2.4. Must be based on the CIDB grade of contractors targeted. In this case, the general building (GB) and civil engineering (CE) categories are applicable.
- 5.2.5. Must preferably be a project that have some specialist or complex components and must match with the capability of the contractor.
- 5.2.6. The Contractor Development Unit (in conjunction with the relevant Directorates of SCM/Project Management and Finance) will deliberately package projects of suitable size to be awarded to these contractors.
- 5.2.7. This initiative also needs to be supported by other client departments in the Province, on behalf of whom the DR&PW is the implementing agent.

6. THE PROJECT IDENTIFICATION PROCESS

- 6.1. The CIP and the ECDP project selection criteria must serve to guide the different directorates and District Managers to ensure selection of suitable projects.
- 6.2. The Sub-Directorate: Innovation and Empowerment will assess each project against the criteria to ensure suitability for the CDP.
- 6.3. District inputs containing prioritised CIP and ECDP Projects will be submitted to the Heads of the relevant Directorates for budget prioritisation as per National Treasury allocation for the following financial year.

- 6.4. The Office of the CFO must finalise all budget allocation inputs containing the CIP and ECDP identified projects from different Directorates and submit same to the Accounting Authority (HOD) for final approval.

7. MONITORING AND EVALUATION

- 7.1 The DR&PW Innovation and Empowerment team within the EPWP Directorate must monitor, evaluate and report on a monthly basis, on the:

7.1.1 CIP and ECDP expenditure.

7.1.2 Project progress (time lines).

7.1.3 Project Challenges.

7.1.4 Future Plans.

- 7.2 The CIP and the ECDP quarterly reports will be tabled at the Department's Quarterly Meetings of its MANCO.
-



the dr&pw

Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA


INTERNAL MEMO

DATE:	27 JULY 2016	REF. NO.	
TO:	THE DIRECTOR: POLICY, RESEARCH, MONITORING AND EVALUATION		
FROM:	THE DEPUTY DIRECTOR: POLICY AND RESEARCH MANAGEMENT SERVICES		
SUBJECT:	RE-SUBMISSION FOR APPROVAL OF THE DEPARTMENTAL CONTRACTOR DEVELOPMENT PROGRAMME: REVISED POLICY		

Dear Mr. Mathews

Please find attached the Departmental Contractor Development Programme: Revised Policy, with alterations and amendments made, for your perusal and consideration. This version of the policy also addresses the comments made by the Office of the Head of Department (HOD), with explanatory notes as reply. This policy is thus hereby re-submitted for approval by the HOD.

Regards



Tom Ferreira



the dr&pw

Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA

**DEPARTMENTAL CONTRACTOR
DEVELOPMENT PROGRAMME:
REVISED POLICY**

**SUBMISSION FOR APPROVAL
27 JULY 2016**

**EVIDENCE OF CONSULTATION WITH
DEPARTMENTAL STAKEHOLDERS**

From: DRPW-Info
To: AColeman; AFanie; AFembers; AKula; ALesotho; alic@cidb.org.za; ALK...
Date: 4/13/2016 3:50 PM
Subject: NEW CONTRACTOR DEVELOPMENT POLICY & GUIDELINES
Attachments: Contractor Dev - Policy Circulation 2016.doc; Contractor Dev - Identification of Projects Circulation 2016.doc; Contractor Dev - Guidelines identification and Selection of Contractor 2016.doc; Contractor Dev - Guidelines identification and selection of mentors 2016.doc

Dear Communications Colleagues

Please find the attached new Contractor Development Policy and Guidelines documents for your consideration and inputs. The due date for inputs is Friday, 22 April 2016. Inputs can be e-mailed to tferreira@ncpg.gov.za

Regards

COMMUNICATION AND MARKETING UNIT



the dr&pw

Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA

INTERNAL MEMO

DATE:	27 JULY 2016	REF. NO.	
TO:	THE HEAD OF DEPARTMENT (HOD)		
FROM:	THE DIRECTOR: POLICY, RESEARCH, MONITORING AND EVALUATION		
COPY:	THE CHIEF DIRECTOR: CORPORATE AND MANAGEMENT SERVICES		
SUBJECT:	SUBMISSION FOR APPROVAL OF THE DEPARTMENTAL CONTRACTOR DEVELOPMENT PROGRAMME (CDP): REVISED POLICY		

Purpose

1. The purpose of this submission is to obtain approval from the Head of Department (HOD) for the operationalization within the Department of the departmental Contractor Development Programme: Revised Policy.

Recommendations

1. The final draft of this policy has been circulated departmentally by the Communication Unit.
2. It is therefore recommended that the HOD approve this policy as departmental policy.
3. Please see e-mail attached of the Evidence of Departmental Consultation.
4. Please find attached Explanatory Notes in reply to Comments made by the Office of the HOD.


MR. K. MATHEWS

DIRECTOR: POLICY, RESEARCH, MONITORING AND EVALUATION
Recommended / ~~Not Recommended~~

28/07/2016
DATE

SUBMISSION FOR APPROVAL OF THE DEPARTMENTAL CDP:

REVISED POLICY



MRS. A. MROTSANG
CHIEF DIRECTOR: CORPORATE AND MANAGEMENT SERVICES
Recommended / Not Recommended

2016-08-01
DATE



MR. K. NOGWILI
HEAD OF DEPARTMENT
Policy Approved / ~~Policy Not Approved~~

11.08.2016
DATE