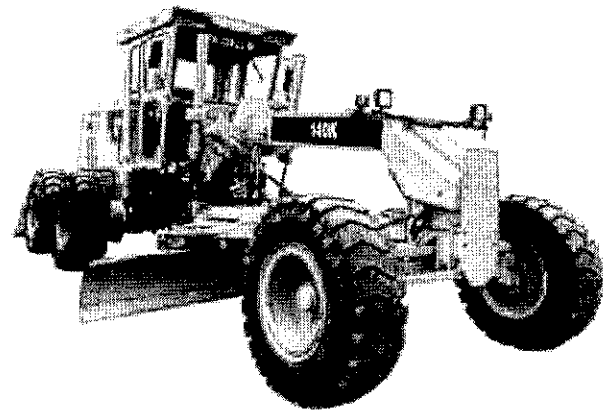




WINNIE MADIKIZELE MANDELA LOCAL
MUNICIPALITY
CONTRACTOR DEVELOPMENT PROGRAMME
POLICY REVIEWED 2022





Contents

1. Policy Statement	2
1.1 Policy goal	3
1.2 Policy Objectives.....	4
2. Legal Framework and Policy Guidelines.....	4
3. CONTRACTOR DEVELOPMENT PROGRAMME (CDP).....	5
4. CDP STEERING COMMITTEE & ITS ROLE	5
5. STEERING COMMITTEE COMPOSITION	5
6. SOCIO ECONOMIC ASPECT:	6
7. MAIN OBJECTIVES:	6
8. RATIONALE :	6
9. CDP SYNOPSIS:	6
10. IDENTIFIED CLIENTS TO BE INVOLVED & THEIR ROLES	7
11. OTHER KEY STAKEHOLDERS & THEIR ROLES	9
12. CDP IMPLEMENTATION:	9
13. PROGRAMME DURATION & OUTCOMES.....	10
14. IMPLEMENTATION OR PARTICIPATION MODEL	11
14.1 PROJECT IDENTIFICATION.....	11
14.2 CONTRACTOR SUPPORT.....	12
14.3. INDIRECT STRATEGY.....	12
14.4. EVALUATION AND EXIT.....	13



1. Policy Statement

This policy is aligned with National Contractor Development Framework and other pieces of legislations and the NCDP frameworks' main objective is to promote equity ownership across different contracting categories and grades , as well as improving skills and performance in the delivery and maintancance of capital works across public sector.

This policy also seek to create sustainable job oportutines while promoting Enterprenuership , it is also aligned with our LED strategy which seek to create a condusive environement for businesses to thrive whilst creating flourishing opportunities for Winnie Madikizela Mandela livelihoods.

The Policy is aligned with the following pieces of legislation:

<p>Preferential Procurement Policy framework act No. 5 of 2000</p>	<p>If feasible to subcontract for a contract above R30 million, an organ of state must apply subcontracting to advance designated groups. (2) If an organ of state applies subcontracting as contemplated in sub regulation (1), the organ of state must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract</p>
<p>The National LED Framework of 2006</p>	<p>According to the guiding principles of the LED Framework all municipalities have innovative spatial development strategies, land-use policies, by-laws and implementation capacity to facilitate fast and effective business establishment and functioning, especially for informal/street traders, and SMEs</p>



National Contractor Development Programme framework of 2011	To achieve this objective, participants within the NCDP will: • Increase the number of black, women, disabled, and youth-owned companies in targeted categories and grades - increasing the representatively of contractors in all categories and grades; • Improve the grading status of previously disadvantaged contractors in targeted categories and grades; • Improve the performance of previously disadvantaged contractors in terms of quality, employment practices, skills development, safety, health and the environment; and • Improve the business management and technical skills of these contractors
---	--

1.1 Policy goal

The purpose of this policy is to ensure execution of the Contractor Development Programme through direct and indirect procurement from locally based contractors and to ensure value maximisation. The policy has taken into cognisance of the following aspects:

- Recruitment from Locally based Contractors
- Training and mentoring
- Sharing the cost of contractor Development programme with other relevant partners
- Payment dispute resolution
- Targeting of programmes , projects and contractors
- Budgeting for the progrmme
- Risk and cost sharing in contracts



- Evaluation of contractors when entering the programme
- Monitoring and evaluation
- Contractors exit stage

1.2 Policy Objectives

- To ensure capacity development of previously disadvantaged contractors and improvement in CIDB grading levels beyond entry level (Grade 2) and above.
- To ensure increase of procurement of good and services from locally based contractors.
- To ensure sound , sustainable and accountable construction procurement systems within Winnie Madikizela Mandela while promoting entrepreneurs.

2. Legal Framework and Policy Guidelines

The Municipality is faced with a high number of contractors in various sectors (Building & Civil in general) who do not have expertise and as such do not upgrade beyond the entry level. This has affected the economy of the area as the Municipality and other Clients in the area would have to source the Contractors with relevant skills in other regions. The policy seek to address the challenge of importing the contractors from other regions and Provinces due to lack of relevant skills within the area.

Given the above background WMM local Municipality has a responsibility to introduce programmes that seek to address unemployment and skills development challenges as per chapter 3.1 of the National LED framework; which states that the Municipality have a key role in creating a conducive environment for investment through provision of Infrastructure and quality services, rather than attempting to create jobs directly. The chapter further mentions the involvement of the private sector in economic development initiatives and that the Municipality should play a connector role in drawing upon resources locked in different Government support instruments into their localities (e.g SEDA for skills development, DTI , DPW, etc)



Hence the Municipality has prioritise the initiation of the Contractor development programme to support emerging contractors to upgrade from one level to another and further capacitate them.

3. CONTRACTOR DEVELOPMENT PROGRAMME (CDP)

Contractor Development Programme is defined within the National Contractor Development Programme (NCDP) as an entity/intervention that is established for the purpose of providing developmental support to contractors.

The NCDP framework mentioned that the work opportunities are typically provided through direct or indirect contracts with the developing contractors within the CDP. Structured development support could be provided by Government institution that is providing the work opportunities.

4. CDP STEERING COMMITTEE & ITS ROLE

The CDP steering committee must be pro-active to ensure execution of the programme as per the Contractor Development Programme Guidelines. The steering committee must facilitate engagements with key role players and establish meaningful partnerships with relevant clients to support the programme.

5. STEERING COMMITTEE COMPOSITION

- Development Planning Senior Manager
- LED Manager



- SCM Manager
- Senior Manager : Engineering Services
- Contractors`s Association / Business Forum(2 members)
- NAFCOC / Mbizana Business Chamber (3 Members)
- Builders Association (2 Members)

6. SOCIO ECONOMIC ASPECT:

The socio economic objective of the Municipality can be achieved through the allocation of resources and the infrastructure, delivery mandate of the institution allows for greater budgets to be allocated in fulfilment of the mandate. Through implementing the Supply Management Policy, the delivery of infrastructure is then utilised for empowerment of BBBEE and previously marginalised potential emerging contractors. This ensures that the Municipality will have contractors with capacity and capability to perform the magnitude of infrastructure projects, while ensuring realisation of the Enterprise development objective of the Municipality.

7. MAIN OBJECTIVES:

- To ensure guided program that capacitate and develop emerging Contractors
- To ensure economic transformation of the Construction Industry with full participation of local Contractors

8. RATIONALE :

The rationale behind the establishment of the program is to develop the capacity of the contractors and give hands on support towards the development of the Contractors.

9. CDP SYNOPSIS:

The Municipal CDP will involve the relevant stakeholders which includes private sector and public sector stakeholders (like CIDB, SEDA, SEDA Construction, Department of Public Works, Department of Human Settlements and South African National Roads Agencies) .



The Participating stakeholders will :

- Commit resources to develop emerging contractors .
- Align these CDP initiatives with the principles of the NCDP framework
- Ensure provision of work packages for Emerging Contractors in the program.
- Collaboration with the Municipality for Incubation of the Contractors for a 3 year period.

The Objective of CDP is to ensure capacity development of previously disadvantaged contractors and improvement in grading levels beyond entry level (Grade 2) and above.

For the Municipality to achieve the objectives , Contractors within the CDP will

- Increase the number of black , women, disabled and youth owned companies in targeted categories and grades- increase the representativity of contractors in all class of works and grades.
- Improve CIDB grading status of previously disadvantaged contractors in targeted categories and grades.
- Improve the performance of previously diadvantaged contractors in terms of quality , employment practises, skills development, safety, health and safety environment
- Improve the business management and technical skills of these contractors.

Contractors will be introduced in an outreach program which will then be followed by mentorship for a period of three years. Budget and projects for the programme will be allocated by the Municipality and the Municipality will further establish meaningful partnerships with relvent clients to ensure effectiveness and success of the programme

10. IDENTIFIED CLIENTS TO BE INVOLVED & THEIR ROLES

ORGANISATION	ROLES
--------------	-------



<ul style="list-style-type: none">• Financing Institutions (e.g ECDC)	Finance working capital , insurance and performance guaranteers
---	---

11. OTHER KEY STAKEHOLDERS & THEIR ROLES

- SEDA Alfred Nzo region : Capacity development and Enterprise support
- District Municipality : Programme support and project identification
- SEDA Construction : Incubator establishment and operation
- SEFA : Provision of Financial support
- ECDC : Provision of Financial and Business support
- Tender Capital : Financial support

12. CDP IMPLEMENTATION:

The policy will be implemented in conjunction with Supply Chain Management policy and other relevant pieces of legislation for effective SMME support. CDP will prioritise the locally based (WMM)contractors registered in the Municipal supplier database. The implementation will vary according to the class of works within the area as per CIDB statistics. The policy will be implemented in line with Preferential Procurement Policy Framework Act in Ensuring that SMMEs participate and benefit from the 30% allocation for projects exceeding R30 Million.

- Only CIDB registered Contractors will participate in the programme
- Recruitment processes will be done by the Municipality working with SEDA construction Incubator.
- The contractors that have been in other incubations will apply and go through recruitment processes like other contractors.
- Contractors will be in the programme for a period of three years .
- After a three year period the group will graduate and next Contractor intake will also be recruited in the following year of the programme commencement period.



14. IMPLEMENTATION OR PARTICIPATION MODEL

CIDB GRADE	CONTRACTOR DEVELOPMENT COMPONENT	IMPLEMENTATION PERIOD
CIDB Grade 1 GB & CE	Outreach/ Campaign programme	Not included in recruitment
CIDB Grade 2– Grade 5 CE & GB	Incubation program	Phase 1
Grade 6- Grade 8	Mentors and Support	Not included in the recruitment

Outreach Programme: The outreach programme will be an information session for grade 1s that are not part of the program but continue as emerging local Contractors

Incubation programme : This will be the program that will be rolled out for a three year period. The Program will be meant for Grade 2- grades 5 that will be capacitated and mentored in their incubation program..

Performance Improvement(Mentor & Support): These will be grades 6- 8 that will be supported to ensure that they also partner with CDP Contractors in big projects. Supporting these Contractors will ensure continuous working relations with the lower grades in spreading work packages . this phase is not specifically for Municipal projects but all Mega projects executed in WMM CDP members may partner with Senior grades for Mentorship and project execution.

14.1 PROJECT IDENTIFICATION

Engineering Services will lead the process of project identification working collaboratively with Development planning and the projects that will be identified on the IDP and general operations and maintenance with available budget for implementation. Projects should be

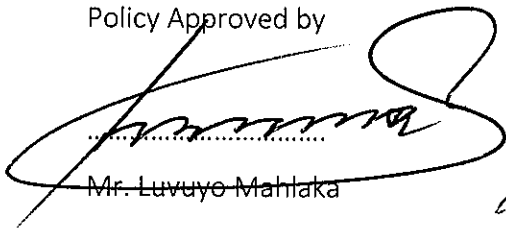


14.4. EVALUATION AND EXIT

In order for the Contractors to graduate , they should be re-evaluated and should meet the requirement for:

- The CIDB Contractor competence accreditation
- Upgrading to a higher CIDB grade designation.
- SEDA Construction Incubator must submit a Close out report with recommendations.

Policy Approved by



Mr. Luvuyo Mahlaka

Municipal Manager

20.06.2022