



# **CONTRACTOR INCUBATOR PROGRAMME**

## **MANAGEMENT PLAN**

DEPARTMENT OF PUBLIC WORKS  
NATIONAL PUBLIC WORKS PROGRAMME  
2007 -10- 0 5  
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PRETORIA 0001

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## Executive Summary

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# 1 Introduction

## ***1.1 The current state of contractor development***

The Department of Public Works (DPW) has since the inception of the procurement reform process in 1995 been actively involved in conceptualising and implementing programmes to promote emerging contractors in the built environment. These programmes included:

Targeted Procurement and

the Emerging Contractor Development Programme (ECDP)

Through these programmes, the DPW has increased participation of previously disadvantaged individuals in the mainstream economy. Moreover, it increased economic activity in an economically depressed environment.

The Status Report of the South African Construction Industry (DPW, 2002), however, established that there is an oversupply of small contractors. This oversupply had a negative influence on the sustainability of the construction industry.

The Status Report further highlighted issues that complicate the growth of emerging contractors. These include but are not limited to those listed below:

Misperceptions regarding the entry level to the industry initially attract contractors, but the lack of bridging capital and skilled resources prevent meaningful participation.

Demand conditions required for small businesses growth are not adequately met. This is due to the local fluctuating conditions of the market and national immobility.

Client related constraints such as late payment.

Contractor related constraints such as a lack of business management skills.



Previous contractor development programmes have focussed on the under R500 000 range, which has been found not to be a sustainable market given the number of new entrants to the market. This resulted in few of the contractors being sustainable and the cost of contractor development consequently being extremely high compared to the sustainable result.

## ***1.2 Proposed contractor incubation***

The DPW proposes the development and implementation of an incubator to promote the development of sustainable contracting enterprises owned and controlled by Historically Disadvantaged Individuals (HDIs). The bulk of public works projects are in the R1, 5 million to R5 million range and this range is therefore where the incubator programme will focus, but will extend to higher values.

The purpose of the incubator programme therefore is to create an enabling environment within which selected existing contracting enterprises can develop into sustainable contracting enterprises. Preference will be applied in the accessing of work so that enterprises owned and controlled by one or more Historically Disadvantaged Individuals are advanced.

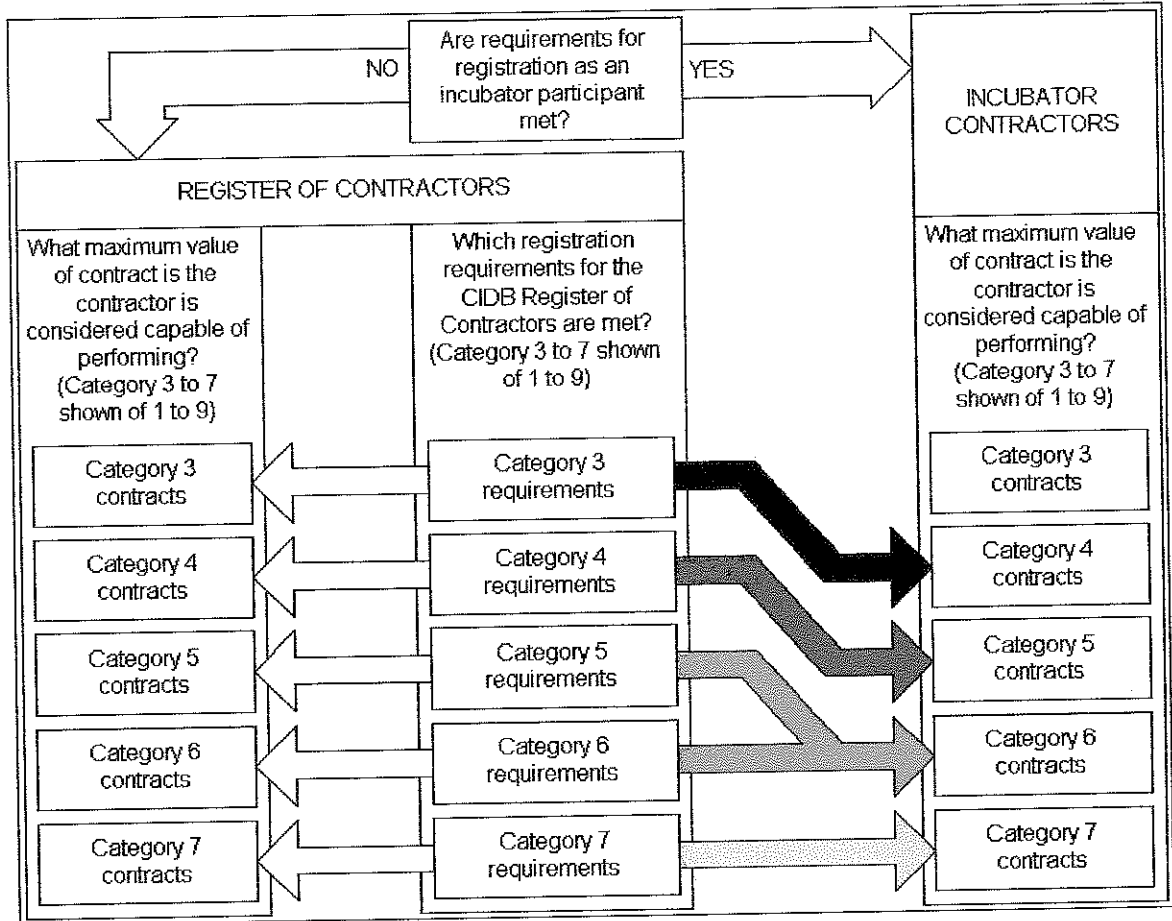
The enabling environment should comprise of two elements:

**Steady access to work opportunities** achieved through sourcing suppliers on Incubator-designated projects from the Incubator Supplier Register. This will also be achieved to some extent by concentrating development efforts on a level of contracting enterprise that can operate in the sustainable R1, 5 million to R30 million range market identified. The number of players in the market place can be expected to be in line with the number of opportunities.

**Supply side measures for the support of growing enterprises** through a structured mentorship-centred enterprise development programme with improved alignment of institutional support structures.



The diagram below shows how participation in the incubator programme relates to the CIDB Register of Contractors and its categorisation of contracting enterprises and the contracts they may be considered capable of performing.



The participating contracting enterprises will undergo a rigorous responsiveness criteria selection process. These responsiveness criteria will depict a potential sustainable contracting enterprise. The responsiveness criteria will limit access to the incubator programme to:

those contracting enterprises capable of functioning at a level above the majority of emerging contractors and

those that have not yet become sustainable at these higher contract values.

The development of the selected contracting enterprises should take place over three years. Continued participation will be subject to demonstrated

improvement as determined by post-project evaluations and continued attempts to secure work after completion of the first project.

A mentorship-centred approach to the development of the contracting enterprises will be implemented, using the services of registered mentors. DPW will recognise these mentors as professionals providing a service to the participating contracting enterprises. During the proposed three-year period of incubation, mentorship and formal training for improving managerial skills will be provided to the selected construction enterprises. Although support through access to work opportunities will continue after this period, the enterprise will increasingly be subjected to competing in the open market.

Sustainable construction contracting enterprises are defined as entities that are consistently capable of integrating financial, human and physical resources, through managed processes, to profitably produce construction products that meet or exceed the expectations of clients.

## **2 The operational framework for the incubator programme**

The incubator programme has been developed using the current understanding of:

- a) the characteristics of a sustainable construction contracting enterprise and
- b) the role of the client in promoting sustainability.

The concept of sustainability is central to the development, implementation, monitoring and evaluation of the incubator programme.

The key components of the operational framework for the incubator programme are:

Programme management to integrate the respective components of the incubator programme.



The integration of the incubator programme with the DPWs strategic planning for the procurement of construction works. This will ensure accessible and appropriate work for the participants of the incubator programme.

Adherence to the DPW Procurement Policy when selecting participants and in procuring their services.

The implementation of a mentorship-centered enterprise development programme.

Alignment of institutional support structures to continuously improve the commercial and managerial capacity of participating contracting enterprises.

## **2.1 Incubator mechanisms**

The incubator mechanisms enable the DPW to manage the incubator programme within the operational framework as set out above.

### **2.1.1 Programme management**

The manager of the ECDP, reporting to the DDG: NPWP is responsible for overall co-ordination and providing strategic direction to the programme. This manager is supported by a programme management team of internal staff and will also be assisted by external resources through the Bilateral agreement.

The programme management team must integrate the respective components of the incubator programme. An important aspect will be continual realignment of the mechanisms in light of lessons learnt in the changing environment. The programme will therefore be characterised by regular review sessions and stakeholder communication. Key elements of the programme management include:

annual planning – the programme management team will assist with the annual planning of the programme to ensure alignment of budgets and implementation of the incubator mechanisms



training coordination – a training coordinator will be appointed to ensure consistency in training and development of the contracting enterprises

monitoring and evaluation – focuses on three levels including contractor, construction project and mentor performance

stakeholder management – will focus on maintaining appropriate relationships with the stakeholders that are essential to the incubation program's success and

communicating the programme to other public enterprises and obtain participation that will ensure maximised opportunities for enterprises under incubation.

### **2.1.2 Strategic planning and budgeting**

During the strategic planning and budgeting cycle the continued sustainability of the R1, 5 million to R30 million market should be ensured.

### **2.1.3 Procurement**

The Procurement Policy Directives of the DPW states that the procurement policy unit/supply chain management unit must add contracting enterprises to an approved register of suppliers. The participating contracting enterprises will be registered on CIDB Register of Contractors once this register becomes operational.

Contracting enterprises must annually be invited, through a public advertisement, to register as an incubator participant on the approved list of suppliers. The entry criteria for the incubator programme must be used to evaluate the responsiveness of suppliers before registering them on the list. Refer to section 6 for the entry criteria. The CIDB's Register of Contractors will be used to categorise contracting enterprises once it has become operational.

To minimise issues such as fronting, panel interviews will be conducted with each contracting enterprise before the contracting enterprise is admitted as an incubator participant to the register of approved suppliers. Moreover, a track record for each supplier must be kept on the register of approved suppliers.



Operating Units (responsible for procurement) must invite Incubator Register registered contracting enterprises to submit bids on Incubator-designated projects. The category of work that incubator participants will be entitled to bid for, in terms of qualification on the CIDB Register of Contractors, will be one financial category higher than would be the case for non-participants (up to category 5).

#### **2.1.4 Enterprise development programme**

The contractor incubation programme management team must coordinate access to resources and processes on incubation support projects. To incubate the contracting enterprises the following steps must be taken:

a mentor must be appointed to assist the contracting enterprise with its development. Assistance by the mentor includes:

- assessment of the level of development of contracting enterprise and its strengths and weaknesses;
- improvement of the business processes and results of the contracting enterprise; and
- assessment of the contracting enterprise for improvement following the completion of the contract.

the programme management team must facilitate access to other support mechanisms such as bridging finance, credit, guarantees or retention and more frequent payment cycles.

the programme management team must finalise and ensure accessibility to back-to-back agreements with the Independent Development Corporation (IDC) and the banks for bridging finance arrangements and

the programme management team must ensure that the Construction Education and Training Association (CETA) will expedite training arrangements and other programmes such as the Black Suppliers Development Programme of the Department of Trade and Industry.



### **3 Sustainability**

This section defines current understanding of the issues impacting on the sustainability of construction contracting enterprises. This understanding constitutes one of the most important focal points of the incubator programme.

#### ***3.1 Sustainability impact of contracts***

To ensure sustainability of the construction contracting enterprises participating in the incubator programme, the DPW will focus on contracts that have a value above R1,5 million. The market below this threshold is already populated by too many contracting enterprises.

Performance on a contract is traditionally measured in terms of completion of the contract according to the needs of the client (quality) within the agreed budget (cost) and time schedules. There is a need to match construction contracting enterprises' abilities with the demands of the contract to ensure that quality, schedule and cost requirements are met while the contracting enterprise operates profitably. The contractor grading system developed by the Construction Industry Development Board (CIDB) for the Register of Contractors provides a suitable framework for matching contractors and contracts. A summary of this contractor grading system is shown in Table 1. Note that incubator programme participants will be able to access work one financial category higher than non-participants (up to R10 million).



**Table 1: Requirements in relation to contractor grading designation**

Financial capability		Track record over the past 2 years		Minimum current financial capability
Code	Maximum value of contract that a contractor is considered capable of performing (upper limit of bid value range)	Minimum average annual turnover	At least one contract with a value greater than	Employable capital (EC) of at least ( <i>Net Asset Value x Bank Rating Factor</i> ) + <i>financial sponsorship</i>
1	R100 000	R0	R0	R0
2	R300 000	R0	R80 000	R0
3 (*)	R1 500 000	R780 000	R260 000	R0
4 (*)	R3 000 000	R2 400 000	R800 000	R600 000
5 (*)	R5 000 000	R4 800 000	R1 600 000	R1 200 000
6 (*)	R10 000 000	R9 000 000	R3 000 000	R2 250 000
7 (*)	R30 000 000	R24 000 000	R8 000 000	R6 000 000
8	R100 000 000	R78 000 000	R26 000 000	R19 500 000
9	No limit	R240 000 000	R80 000 000	R60 000 000

(\*) These contracting enterprises are targeted in the incubator programme

An appropriate contract is a contract that supports development of a contracting enterprise over a period of time, and is carefully selected to match a certain type and size of contracting enterprise as per the CIDB grading framework. The contract or contracts selected should facilitate the progression of a contracting enterprise from one level of development to the next level.

The incubator programme will concentrate on contracting enterprises within the categories 3 to 7 which are eligible to tender on contracts above R1,5 million and below R30 million, as incubator participants will be able to access work one financial category higher than non-participants (up to category 5).



### **3.2 Sustainability impact of clients**

The DPW assumes responsibility for the effectiveness of every aspect of the development programme. Beyond the specifics of the incubator programme, this assumes that the normal day-to-day interactions with incubator participants will be enabling.

Incubator-specific key performance areas to be addressed by the client are:

access to work opportunities

access to finance and credit

access to training and mentorship and

institutional support arrangements (including development infrastructure).

### **3.3 Contractor sustainability**

#### **3.3.1 The South African Construction Excellence Model**

Recent research has shown that the South African Construction Excellence Model (SACEM) can be successfully applied for assessment of the business processes and results of small to medium sized construction contracting enterprises. DPW proposes that SACEM be applied to determine the strengths, weaknesses and degree of sustainability of construction contracting enterprises participating in the incubator programme.

#### **3.3.2 Sustainability indicators for contractors**

A minimum set of sustainability indicators have been identified that are based on the principles of the SACEM model (SAEF, 2002) and the CIDB requirements (CIDB, 2004). The minimum criteria would then become:

CIDB grading 4 or above

SACEM score above a level to be determined

To be considered sustainable, a contracting enterprise must meet a number of criteria. These criteria are based on potential and capability to profitably



deliver projects as required by the clients. A sustainable contracting enterprise is one that:

operates in a sustainable market;

understands the various construction processes and has the required networks for contracting;

has a market niche and does not stretch itself too widely across different types of work;

has the staff with the necessary technical and managerial skills and knowledge to carry out work;

has established technical and business systems and processes and has access to other resources to execute the work;

has delivered consistently good results and;

has stable or growing assets, revenues, and profit.

## **4 Programme management**

The programme management team is the National Emerging Contractor Development Programme Directorate.

The programme management team must integrate the respective components of the incubator programme, namely annual planning, programme review and communication, training coordination, facilitation of access to support and risk management.

### ***4.1 Annual planning***

The programme management team will assist with the annual planning of the programme to ensure alignment of budgets and implementation of the incubator mechanisms.



## ***4.2 Programme review and communication***

An important aspect will be continual realignment of the mechanisms in the light of lessons learned in the changing environment. The programme will therefore be characterised by regular review sessions and stakeholder communication.

**Monitoring and evaluation** focuses on three levels including contractor, construction project and mentor performance

**Stakeholder communication** focuses on maintaining appropriate relationships with the stakeholders. This is essential to the success of the incubation programme.

**Communicating** the programme to other public enterprises and obtaining participation that will ensure maximised opportunities for enterprises under incubation.

## ***4.3 Training coordination***

A training coordinator will be appointed to ensure consistency in training and development of the contracting enterprises.

## ***4.4 Facilitate access to support***

The programme management team must facilitate access to other support mechanisms such as bridging finance, reduced guarantees or retention and more frequent payment cycles. The programme management team must finalise and ensure accessibility to back-to-back agreements with the IDC and the banks for bridging finance arrangements. The programme management team must further ensure that the CETA will expedite training arrangements and other programmes such as the Black Suppliers Development Programme of the Department of Trade and Industry.

Mentors must communicate all support mechanisms of the incubator programme to the incubator participants to ensure access.



#### **4.5 Risk management**

The programme management team will undertake an ongoing risk management function through the identification, quantification and mitigation of risks.

### **5 Strategic planning and budgeting**

During the strategic planning and budgeting cycle, the Top Management Committee must ensure that sufficient projects are available to maintain the sustainability of the R1,5 million to R30 million market range identified. Participating departments should guard against fragmentation of projects and should rather support clustering of projects to ensure continued sustainability of this market.

### **6 Procurement**

In terms of the DPW Procurement Policy and directives, the key procurement issues relevant to the Incubator Programme are:

registration of incubator participants on the DPW approved list of suppliers, including:

- the selection and registration process and
- responsiveness and evaluation criteria

procurement of construction work from incubator participants.

#### **6.1 Application for admission to the Contractor Incubator Programme**

The DPW will call for applications from contracting enterprises to be admitted to the incubator programme. The call for applications will be issued with a set of responsiveness and evaluation criteria. Submissions are to be evaluated in accordance with the Department's procurement policy, which conforms to the provisions of the Preferential Procurement Policy Framework Act. Preferences and functionality (quality) are to be scored and these scores are

to be combined and those submissions scoring the highest number of points will be considered for entry to the Incubator Programme. Submissions are to be evaluated according to functionality (quality) and preferences using the 80/20 system. The eighty points relate to the functionality score and the twenty points to preference for entities owned and controlled by one or more Historically Disadvantaged Individuals.

Successful applicants will be registered as incubator participants on the DPW approved supplier list. It is important to note, however, that being registered on this approved supplier list does not guarantee a work contract from the DPW.

The DPW approved supplier list must make provision for an identifying code for incubator participants. The CIDB Register of Contractors regulations allow for the integration of the incubator programme with the Register.

## ***6.2 Admission to the incubator programme***

### **6.2.1 Background**

Selection of a contracting enterprise is based on experience in contracting and experience in the construction-related activities.

**Construction Experience:** The contracting enterprise must understand the construction processes through past involvement in construction environment-related activities (e.g. contract management and site management), or by being trained in the construction-related field. An inexperienced person with appropriate qualifications (for example a relevant certificate or a diploma, or equivalent) is more likely to operate a successful contracting enterprise than one with no qualifications.

**Registration as a business enterprise:** The contracting enterprise must be constituted as a business enterprise, be registered as a taxpayer and adhere to other obligations as required by legislation, including company law and tax laws.



**Access to skilled staff:** The contracting enterprise must demonstrate availability of, or access to, skilled staff with appropriate technical and managerial skills and knowledge to carry out work.

**Banking and credit record:** A reasonably good banking and credit record is required to ensure that the contracting enterprise can access more finance and credit for future projects. A negative rating by a credit bureau, for example, severely limits access to finance and credit.

**The type of a contractor:** The DPW will review the expected contracts to be let over the medium-term and determine the types of contracting enterprise that are to be incubated.

**The size of a contractor:** The DPW has reviewed sustainability issues in the contracting environment and will restrict the incubator programme to contracting enterprises capable of undertaking contracts of over R1,5 million.

**The level of a contractor's development:** The maturity of the business enterprise and its business processes will be determined by SACEM assessments. The determined level of development will be used as an indicator for the future sustainability of the enterprise. A minimum level of development is applicable for admission to the incubator programme.

**Potential to satisfy contract-specific key performance areas and track record:** Performance on a contract is traditionally measured in terms of completion of the contract according to the needs of the clients (quality) within the agreed budget (cost) and time schedules. The probability that the performance by a selected contracting enterprise on these key performance areas will be satisfactory will be based on track record. This probability will then be used as an indicator of the contracting enterprise's sustainability in the longer-term.

### **6.2.2 Responsiveness criteria for participation in the Contractor Incubator Programme**

Contracting enterprises seeking admission to the Contractor Incubation Programme must meet the criteria below:



**The type of a contractor:** Contracting enterprises must have a proven track record of managing general building contracts, including the management of civil, electrical and mechanical specialist subcontractors. Contracting enterprises that are newly established must demonstrate that they have sufficient experience in lieu of such a track record.

**Financial capability and track record of contractor:** Contracting enterprises should have had a minimum annual turnover of at least R780 000.00 over the past 2 years. Contracting enterprises must also have successfully completed at least one contract of more than R260 000 over the past 2 years. A contracting enterprise with no prior experience in contracting must have employable capital of at least R600 000.

**Registration as a business enterprise:** The contracting enterprise must be constituted as a business enterprise and must submit a valid tax certificate. The contracting enterprise must submit proof that it is registered with the CETA and has fulfilled its obligations to CETA.

**Banking and credit record:** A report must be submitted, signed by the contracting enterprise's auditor or a registered accounting professional, indicating the Employable Capital of the contracting enterprise, and any credit record.

**Panel interview:** Contracting enterprises must attend a panel interview held by the bid committee and score more than 80% against the following criteria to be considered as responsive:

**Construction Experience:** The contracting 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.

**Access to skilled staff:** The contracting enterprise must prove access to skilled staff with appropriate technical and managerial qualifications and knowledge to execute the work.




**The level of a contractor's development:** The contracting enterprise must complete a self-assessment based on the SACEM to determine his/her level of enterprise development. The self-assessment by the contracting enterprise will be validated during panel interviews.

The Bid Committee will consist of two people from the DPW and one each nominated from CETA, CIDB and the CSIR. The Bid Committee has the prerogative to verify any information that is required from the contracting enterprise for the assessment. Should verification be withheld for whatever reason, the application will be deemed non-responsive. The Bid Committee will calculate its score based on the following table:

<b>Criteria</b>	<b>Score</b>
Proof of construction experience	20
Construction project management experience	10
Contract management experience	10
Site management experience	10
The level of a contractor's development	30
Access to a skilled resource base	20
<b>Total</b>	<b>100</b>

### ***6.3 Procurement of construction work from incubator participants***

Operating Units (responsible for procurement) must invite Incubator Register registered contracting enterprises to submit bids on Incubator-designated projects. The category of work that incubator participants will be entitled to bid for, in terms of qualification on the CIDB Register of Contractors, will be one financial category higher than would be the case for non-participants (up to category 5).



The Procurement Policy Unit or Supply Chain Management Office will prepare directives for the Contractor Incubator Programme.

## **7 Enterprise development programme**

### **7.1 Access to support**

On projects that qualify for incubation support, the contractor incubation programme management team must coordinate access to resources and processes required to incubate the contracting enterprises.

Incubation can be accessed only after successfully registering as an Incubator Contractor. Incubation will be provided for a limited total period of three years.

A mentor will be appointed to assist the contracting enterprise with its development.

### **7.2 Mentorship**

#### **7.2.1 Registration of mentors**

The South African Council for the Project and Construction Management Professions (SACPCMP) has developed the requirements for the registration of mentors and are awaiting approval by the council. It will then advertise - calling for the registration of mentors.

#### **7.2.2 Appointment of mentors**

A mentor will be appointed in consultation with the contracting enterprise. Existing mentorship relationships will be catered for, with the understanding that mentors must be registered.

#### **7.2.3 Role of the mentor**

The mentor must assist the contracting enterprise to assess its level of development and strengths and weaknesses and guide the contracting enterprise through a development programme to achieve balanced development.

The mentor must select appropriate training, which is approved by the training coordinator, to improve business processes and results of the contracting enterprise. The mentor must, with the assistance of the programme management team, facilitate access to the support mechanisms available to the incubator programme.

A development programme's training and mentorship support should take the level of development and strengths and weaknesses into consideration. The intensity of support should decrease as the contracting enterprise grows and gains more experience.

The mentor must assess the contracting enterprise for improvement following the completion of each contract.

#### **7.2.4 Contractor profile**

As part of the planning process, one of the key outputs of the incubation programme would be to establish a profile of the developing contractors to draw a comparison at the end of the incubation period. The profile should be established immediately after selecting and admitting contracting enterprises into the incubation programme to attain statistical data. The data will be analysed to monitor and evaluate the development of the selected contracting enterprises.

## **8 Roles and responsibilities of DPW**

This section deals with the roles and responsibilities of DPW staff directly impacted by the incubator programme and the relationships between Head Office and Regional Offices.

The manager of the ECDP, reporting to the DDG: NPWP is responsible for overall co-ordinating and providing strategic direction to the programme.

Regionally, ECDP is the overall responsibility of each Regional Manager. The ECDP is considered as a project in each region, with a specific project manager (ECDP Regional Manager) responsible for its overall operational performance and reporting directly to the Regional Manager.



The construction incubator programme must be fully integrated into all the departmental and procurement policies. It requires inputs from all the regional staff normally responsible for projects and specifically from Key Account Managers (KAM) and Project Managers. These managers are to monitor the contracting enterprises, evaluate their performance and certify their work. Regional Tender and Procurement staff also play a key role in the tendering process and adjudication of tenders.

The National Programme Leader is the national DPW champion of the incubator programme, reporting directly to the DDG responsible for the NPWP.

The National Programme Leader is required to:

ensure that the overall incubator programme is being realised in accordance with the policies set out by the TMC and meets both the objectives of the DPW and the other stakeholders and beneficiaries of the programme

appraise the TMC regularly of the progress and performance of all aspects of the incubator programme

prepare and recommend to the TMC strategies and implementation plans which will ensure that the incubator programme continuously and pro-actively responds to the changing influences it will be subjected to

be fully responsible to drive, manage, co-ordinate and facilitate the implementation and operation of every aspect of the programme

secure the support of all stakeholders and beneficiaries of the programme

consider and recommend strategies by which the incubator programme may be expanded into other public and private institutions and

realise the necessary national and regional resources for the programme.

The Regional Programme Manager will be required to:





manage the implementation and operation of the programme in the Province

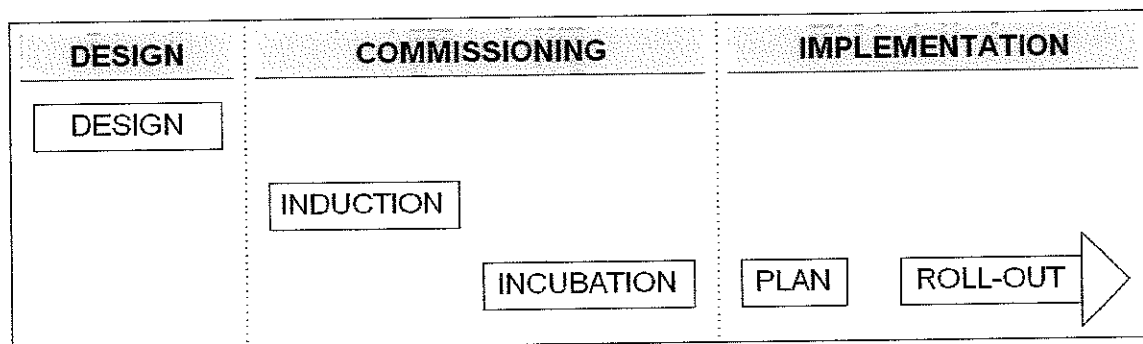
plan, manage and co-ordinate external liaison activities, especially those relating to training and support initiatives for emerging contracting enterprises and contractor representative bodies in their region

formulate and implement a public relations strategy in the context of the national communications strategy. This includes:

- raise the profile of the programme and its objectives
- monitor and evaluate progress of the contracting enterprises and the programme in the Region
- undertake regular assessments of emerging contractors
- prepare and present reports on programme to the National Programme Manager
- ensure that the programme is delivered efficiently and effectively
- liaise with training and other support agencies in the region and
- establish a working relationship with other national, provincial, and local public sector clients in the region and with private and other public sector emerging contractor development initiatives.

## **9 Implementation Plan**

A three-phased approach was adopted to implement the incubation programme. The approach is depicted in the pictorial below and consists of a design phase, a commissioning phase and an implementation phase. A programme management team will be responsible for the overall coordination of programme activities.



## 9.1 Design Phase

The design phase is now close to completion and the programme is ready for commissioning.

### 9.1.1 Programme management

The programme management team must integrate the respective components of the incubator programme. Key elements of the programme management include:

- **monitoring and evaluation** – indicators are being developed and
- **stakeholder communication** – ongoing.

**Access to other programmes** – The framework of agreements has been discussed and a letter of intent has been requested from the IDC and the banks for bridging finance arrangements. CETA is to expedite training arrangements and other programmes such as the Black Suppliers Development Programme of the Department of Trade and Industry.

### 9.1.2 Strategic planning and budgeting

This phase entailed developing criteria by which contracts will be selected and has been completed.

### **9.1.3 Procurement**

**Register of approved suppliers** entailed developing entry criteria for contracting enterprises. This activity is completed.

**Procurement Policy Directives** are in the process of being documented.

### **9.1.4 Enterprise development**

The SACPCMP developed the requirements for registering mentors. The requirements have been completed and are awaiting approval by the council.

The indicators for a sustainable business enterprise have been completed.

Training material has been identified and is in the process of being assessed.

## **9.2 Commissioning and Implementation Phase**

The commissioning phase will be characterised by site visits of the programme management team and representatives of the SACPCMP, the procurement policy unit and the training coordinator. The approach is to pilot the concept with a limited number (30 to 50) of participants (Commissioning) and to roll-out to a greater number (150 to 300) of participants (Implementation).

### **9.2.1 Programme management**

**Programme management** – The programme management team will coordinate the visits to the operating units and the events at the units. The detailed design of the full incubation phase will also be completed.

**Training coordination** – a training coordinator will be appointed as soon as possible.

**Monitoring and evaluation** – indicators will be finalised.

**Stakeholder communication** – ongoing.

**Communicating the programme to other public enterprise** – design communication programme to other stakeholders.



**Access to other programmes** – The following will be finalised to ensure accessibility resources when incubation starts:

- Back-to-back agreements with the IDC and the Banks for bridging finance arrangements and
- CETA is to expedite training arrangements and other programmes such as the Black Suppliers Development Programme of the Department of Trade and Industry.

### **9.2.2 Strategic planning and budgeting**

This phase entails a training workshop per region on the selection criteria for contracts. The selection of contracts to meet the requirements of the incubator programme for this financial year will be completed during the workshop. This will be done in collaboration with the managers of the operational units.

### **9.2.3 Procurement**

The procurement policy unit is organising training workshops for the operation units. Care is been taken to align the training workshops of the incubator programme as far as possible with the training programme on the procurement policy.

**Register of approved suppliers:** Although a national advertisement for the registration of contracting enterprises will be placed, the selection of contracting enterprises for inclusion in the Register of Approved Suppliers will take place on a regional basis. The selection panel will complete this exercise region by region.

### **9.2.4 Enterprise development**

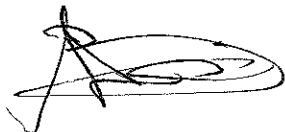
**Registration of mentors:** The SACPCMP, will advertise calling for the registration of mentors. The process will be supported by the programme management team during the site visits to interview and train prospective mentors.



Training on other support mechanisms will also be provided.

## 10 Implementation schedule

(Baseline for Design Phase – not yet updated as Baseline for Commissioning Phase)

 02/10/07  
LYDIA BIKU  
SDB POLICY

