




IERM Presentation

28 Sep 2015

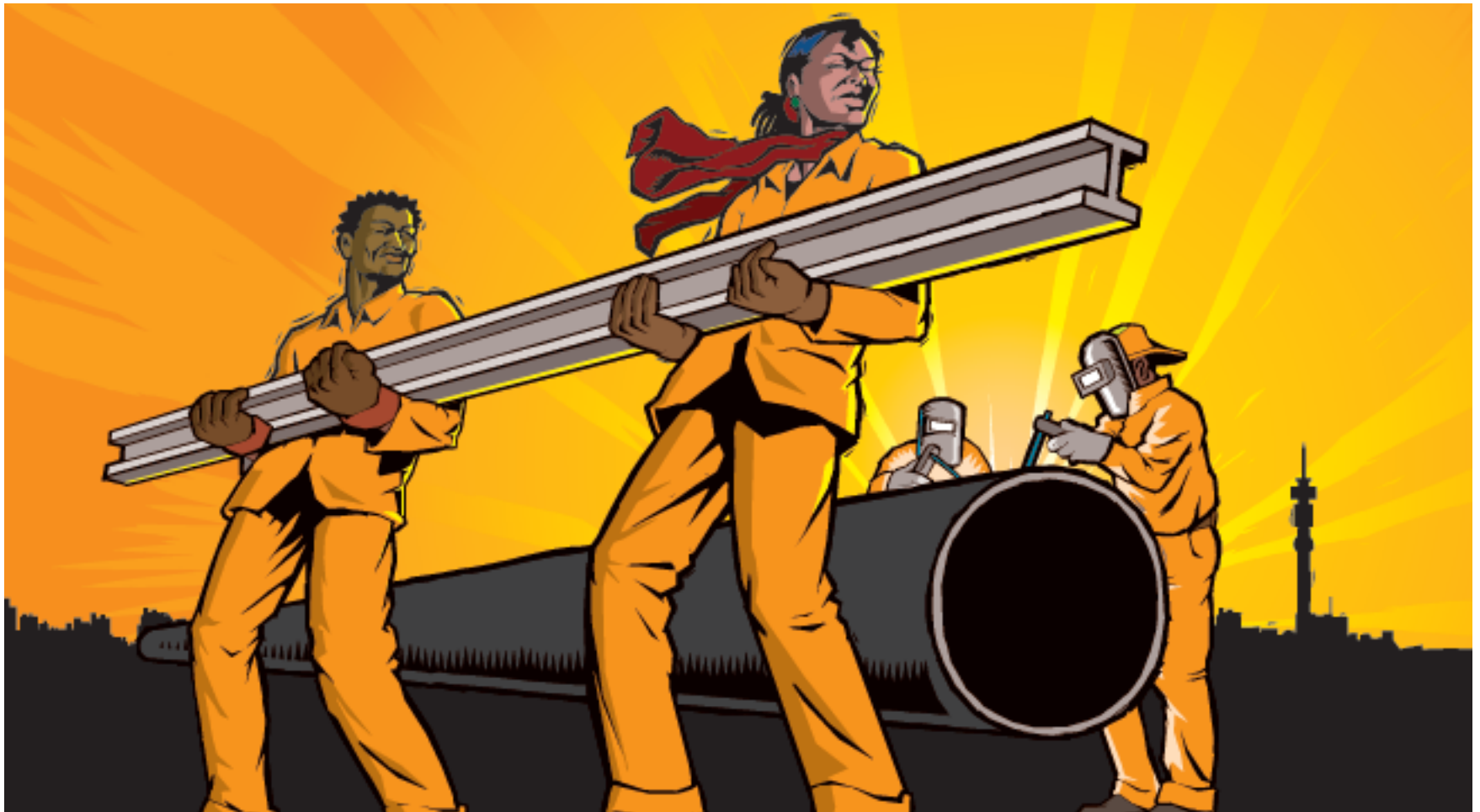


JOZI@WORK

www.joburg.org.za

 official page of City of Johannesburg

 [cityofjoburgza](https://twitter.com/cityofjoburgza)



[1] Principles & Commitments

- **Jozi@Work** is a new programme run by the City of Johannesburg. It will **reduce poverty, inequality and unemployment across the City**. It will **change the way the City does business** and also **equip communities to respond to problems in their own back yards** – and **be paid for doing it**.
- The programme works through the **City paying co-operatives and community-based companies for work packages** which **improve the delivery of COJ services** in their neighbourhood and the region in which they live. In this way, **jobs /livelihoods** will be **created for those who are members of co-operatives, partners in micro-companies** or workers employed by the co-ops or companies doing the work.
- Over **R1 billion** of the City's 2014-15 budget for contracts, repairs & maintenance and new buildings/ facilities , across 9 different areas of work will be spent **through this system**.

- **For every work package** assigned through the Jozi@work programme, the **co-ops and micro-companies** doing the work will be supported by a **Capability Support Agent (CSA)** which will **handle all invoicing and payments**, make sure work is done to **quality standards** and also make sure **co-operatives/ companies** can **rent the equipment** and **purchase the raw materials** they need to do the work. The **co-operative/ micro enterprise** will only pay for these things out of the money the City pays for the work package to be done.
- **The Capability Support Agents** will also ,over a **1-2 year period**, provide **training, advice and support** as well as **access to low-cost loans** to make sure **co-operatives & community based companies** can grow beyond the programme and **do business with customers other than the City** and/or **serve the City as a contractor** through the ordinary procurement process.



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Types of work

- **Energy:** Work packages linked to electrical grids, electricity distribution and assisting customers of city power
- **Waste:** Work packages linked to waste collection, waste separation and waste processing, including biogas.
- **Greening services:** Work packages linked to spending on greening and landscaping, including grass-cutting, planting and maintenance of turf and plant life in parks and open spaces.
- **Construction & Maintenance services:** Work packages involving the construction and repair of City Buildings and facilities.
- **Road & Transport Infrastructure :-** Work packages involving the maintenance and building of new roads, cycle lanes and work on the Rea Vaya system.



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Sector Focus Areas

- **Business & Urban Management Support:** : work packages linked to the city's fleet, storage and transport of goods, cleaning & management of facilities, inspections and physical checks to confirm information.
- **Agriculture & Food Resilience:** Work packages linked to the City's spending on agriculture and food support
- **Water & Sanitation:** All activities linked to expenditure on water and sewerage maintenance and reticulation, including secondary industries reprocessing water and water products for secondary uses (grey water management).
- **ICT and digital services** – All spending linked to digital and computer systems, including support of ICT operations and maintenance of digital networks. (ICT capability-building agency to also provide digital backbone for apprenticeship/ learnership system integration).



JOZI@WORK

Programme sequencing

EPWP / CWP

JOZI@WORK

ACCELERATED
SMME
CONTRACTING

CSDP

LOCALLY SOURCED
SEMI-SKILLED/
UNSKILLED LABOUR

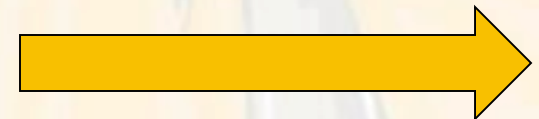
WORKERS CAN BEEN
POOLED INTO SMALL
ENTERPRISES & CO-
OPS

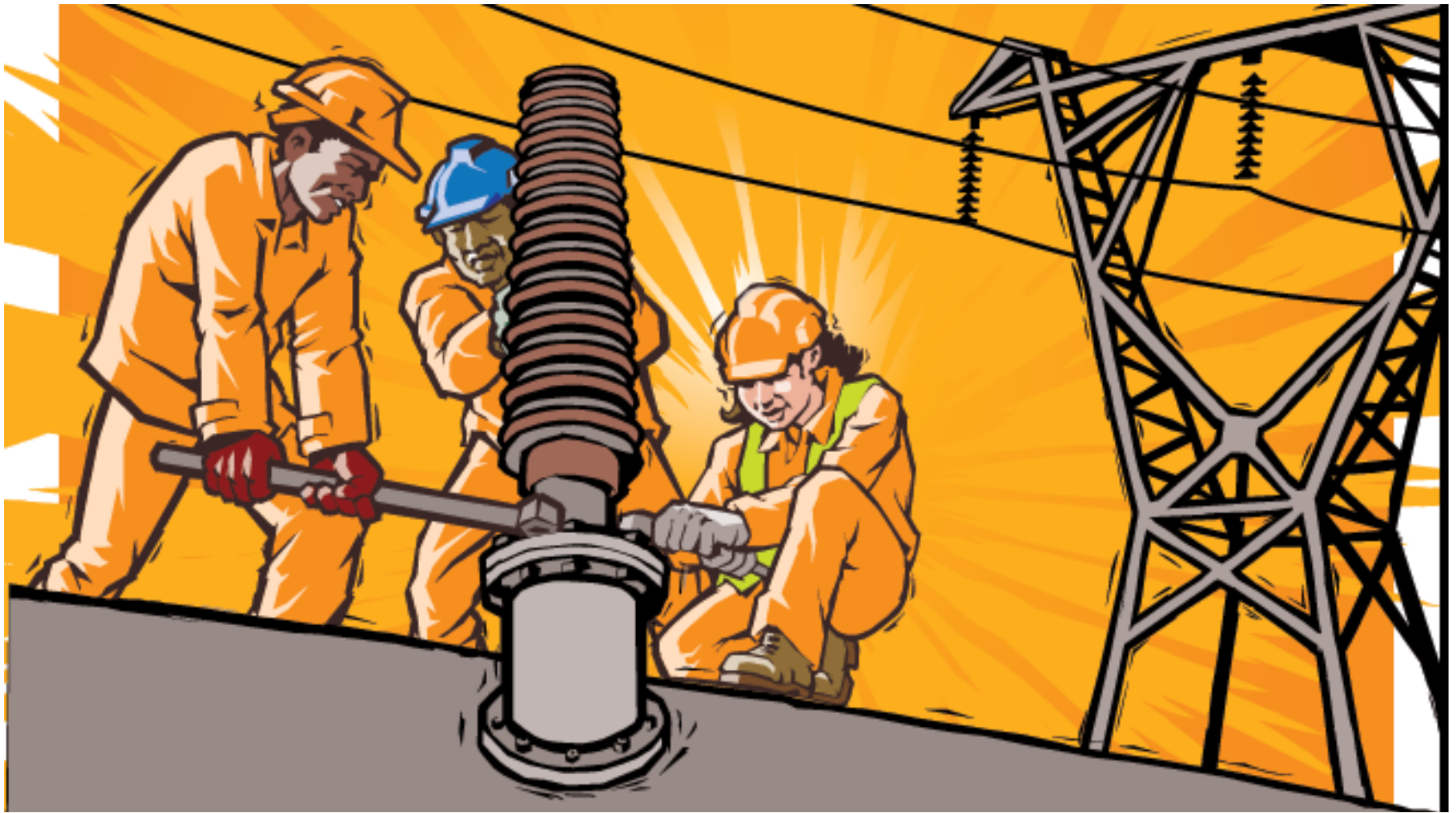
LOCALLY
SOURCED CO-
OPS/ MICRO
ENTERPRISES
WITH CSA
OVERSIGHT

LOCALLY
SOURCED CO-
OPS/ MICRO
ENTERPRISES

LOCALLY
SOURCED
MANUFACT
URING
LINKED TO
LARGER
INDUSTRY

**Value chain participation / capture of rand
value (livelihood impact)**





[2] Processes & Procedures

PROCESS FLOW

STEP 1 RINGFENCE SPENDING

FOR EACH DEPT/ ENTITY
10 % OF ALL CONTRACTED SERVICES
10 % OF R & M
5 % OF CAPEX
[with variations to account for specific departments]

X 3 IN 2015/16

STEP 2 SEEK PROPOSALS FROM REGIONAL FORUMS

OPEN TO ANY LOCAL RESIDENTS

Provide a brainstorming/ co-design platform with communities

Steercomm (see step 3) seeks expressions of interest and then issues RFQ's to forum

STEP 3 EVALUATION BY REGIONAL STEERCOMM

Made up of local departmental/ entity reps
Screens expressions of interest and proposals for specific work packages

Plans & links value chains

Assigns each work package conditional upon support from Cap. Building Agency

STEP 4 CAPABILITY SUPPORT AGENT

Provides direct admin support to each enterprise in a given sector assigned a work package.

Also channels financing & provides training & development

Acts as contracting party for v-small/ micro

STEP 5 APPRENTICESHIP PROGRAMME

Links on-the-job work experience with formal coaching via prepared videos and/or classroom sessions at community facilities

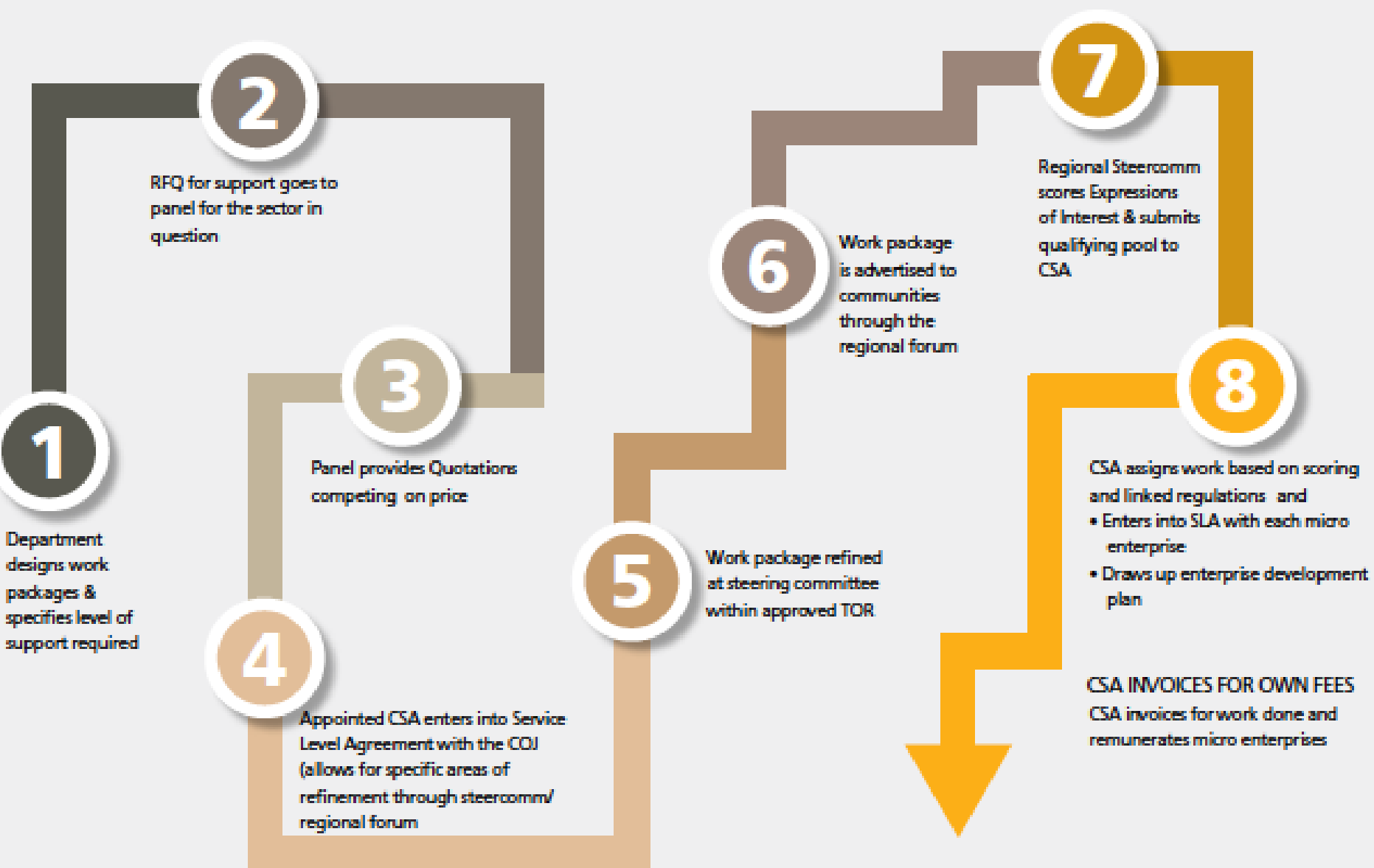
Individual worker can gain certification for skills developed

STEP 6 REGIONAL REFERENCE GROUP

Made up of outside people per region who apply to be part of the reference group

Receives info from the programme on a quarterly basis and can raise problems with the City. Reports in to a Citywide reference group

HOW THE CSA'S & COJ INTERACT



How the nominated co-ops/ microenterprises are scored

- **20 points are awarded for localization** . City officials use the distance between the worksite where the work package will happen and the home addresses of each company or cooperative . The closest co-op or company on average gets 20 , the furthest gets zero , the rest are scored somewhere in between
- **10 points are given for opportunity creation** - the company or coop that will create the most livelihoods gets 10 , the company that will create the least gets 0 , everyone is scored somewhere in between . Livelihoods through partnership or membership of a coop count more than livelihoods creates through labour .
- **10 points are given for mobilization strategy** . Maximum points if companies or coops having a good strategy for mobilizing their community around the work package in question . 5 points if the strategy is incomplete and 0 if no strategy is presented .
- **10 points are awarded for economic disadvantage** if every member of the coop or company is registered for social grants or the city's expanded social package . 5 points if only some members are on social assistance , zero if none are .
- **The remaining 50 points are based on functionality** - 20 points for understanding of work package , 20 points for skills and experience (though for the entry level packages everyone will get 20) and 10 points for how credible the proposal is to the steering committee .
- **These add up to a 100 point score which guides jozi@work appointments** . In certain cases those with the highest localization scores (who may not have scored high on functionality) will be added on as another layer of local subcontractors below the main co-op or company given the Jozi@Work opportunity in the area . In this way , the maximum level of local opportunity is created .

The Scoring & Assignment process

EOIs come in from those who have attended regional forums

1

20 points for how close you live

10 points for number of jobs/ livelihoods you create

10 points for having a good mobilization plan

10 points for how disadvantaged you are

50 points for functionality

20 points understanding

20 points skills/ exp.

10 points credibility

Scoring done based on submitted EOI's

2

Total score (100)

43,67

40,00

12,50

36,00

53,00

63,67

69,17

45,17

CSA appoints nominated subcontractors for 100 % of work

4

CSA bills for both project costs (passed on net of business expenses) & own admin fee

Scored pool given to CSA

3

- The CSA is a prime contractor procured via an ordinary process , and is treated no differently from any other prime contractor from a legal and governance perspective.
- The Service Level Agreement we have structured with legal for use per project includes specifics on dispute resolution mechanisms and other elements particular to the project. The negotiation of project specific SLA's is also standard procedure, and in this context we have also take the step of standardizing key agreement elements.
- Invoicing should be against framework orders, using the tranche structures agreed in the work packages

High level notes on CSA network

- With respect to work tariff differentials, the conclusion has been identical work should be remunerated at the same rate citywide, but that work which seems similar but has defensible differences can be priced differently (for example, litter picking in parks is not the same as illegal dumpsite clearance, though they both involve removal of litter from open spaces)

Initial RFQ to CSA panel

- Relevant departments / entities in COJ will send requests for quotations via email to all relevant bidders simultaneously, stipulating a deadline for responding quotations and the method of their submission (the standard, unless otherwise stipulated, will be a digital copy by deadline with a hardcopy to follow within 24 hours).
- Should panelists wish to request more time to respond, panelists must do so BEFORE the deadline occurs. If extension is granted this will be communicated to all panelists.
- Panelists will receive 2 documents as formal request for quotation – a work package profile and a statement of support requirements.

Initial RFQ

- Panelists' quotation for work **to be supervised** is based on the work package profile. In many cases, the pricing/ value for this will be fixed by the commissioning department or municipal entity. This will be indicated in Sections 25 and 26 of the work package profile.
- Panelists may be required to support the same work package replicated across multiple sites – this will be made clear in the work package profile.
- The price for panelists support services as a CSA must be based on the statement of support requirements. This will not be stipulated, but bear in mind panelists are competing on price against other panel members.
- Panelists will be contacted at the point of panelists' quotation being accepted.

Once panelists' quotation has been accepted :

- Panelists will be required to sign off a project specific service level agreement as rapidly as possible
- If the regional forum(s) at which the work package panelists are supporting is to be advertised to the public have not yet occurred (which should be the case outside of extenuating circumstances), panelists will be advised of the dates and times of said forums and invited to attend, though this is not compulsory.
- Once the regional steering committee has completed scoring of submissions, panelists will be provided with a scored list of qualifying co-operatives/ micro enterprises per work package or type of work package including their contact details

Once panelists' quotation has been accepted :

- The procedural requirement is that the scoring must guide panelists' assignment of the work, as per the Jozi@work policy practice note .
- Panelists have the right, as per the practice note, to run a further request for quotations process amongst the qualifying co-ops . This is not mandatory.
- Where skills are claimed but no certification exists, the expectation is that panelists conduct skill tests to screen the relevant companies. Where panelists do not assign work to the highest scoring companies/ co-operatives, panelists must provide the City with reasons in writing.

Once panelists' quotation has been accepted :

- Panelists must enter into a pro-forma SLA with each enterprise/ co-op under panelists' supervision. A pro-forma template is provided.
- Dispute resolution mechanisms and all other contractual matters are specified in the SLA. Any deviation from the pro-forma agreement must be approved by ourselves in writing, through application to myself or the named permanent administrative contact (see below).
- Once panelists have selected from the pool of qualifying nominated enterprises/ co-ops, and they have duly signed the pro-forma SLA, they are legally panelists' subcontractors and work can begin.



[3] **Progress** to date



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JOZI@WORK

Top-line achievements as of 3rd quarter

- With the convening of the first regional forums over the period 3-12 December 2014, and subsequent forums in late January/ early February 2015, the Jozi@work system is live to the public.
- First work packages were assigned to cooperatives week beginning 9th March 2015. **NB : conclusive current numbers can only be assessed first 2 weeks April as work packages are assigned under current pipeline (see regional tracking sheets, below).**
- Work packages from **JCPZ, Social Development, Community Development, Pikitup, Health & City Power** have gone out to the public
- **First CSA panel of 5 appointed for 12 months** with a panel cap of R200 million for the period. This is an initial appointment, which allows the programme to initiate and ramp up while a larger, wider panel with no spending limit is procured through a refined process
- CRUM regional interface process now fully articulated and functional.
- Dedicated web and mobi site for the programme is live : <http://www.joziatwork.org.za> - links directly from Joburg website
- Business registration drive completed with over 3500 new companies/ coops registered . Over 3000 existing enterprises and co-ops have also been captured as interested parties existing enterprises and co-ops have also been captured as interested parties.

- **Volume of work is being ramped up** – as at May 2015 , the first wave of 6 departments/ entities have released work packages to the public. In addition, JOSHCO has released significant work packages, and all departments have work packages in the pipeline.
- **Publicity drive on the programme ramped up April 15th**, with newspaper wraps in the Sowetan , billboards and media tour of project sites.
- **Very promising engagements between AVIS, Automobile Industry Development Corporation (AIDC) & Bridgestone/ Supaquick** to establish micro-mechanic “hot-shops” in line with Avis commitment to act as Fleet CSA.
- **Key coordination task is to expand programme to the full 25 budget centres** across the COJ and municipal entities.
- **The procurement process for panel A566** (Capability Support Agents) has been completed and is **being urgently integrated into the operations of MOE’s**. This must be given urgent attention
- **The procurement strategy for panel expansion** (unlimited panel to ramp up beyond A566) has **been finalised**
- **Community Innovation Fund design completed and approved by mayoral committee**
- This will allow communities themselves to propose **innovative Jozi@work projects**, to be adjudicated by the regional steering committees **(along with outside experts)**
- **Community Innovation Fund Project team currently fast-tracking implementation**



[4] Action Plan : 2015-16



Projected Ramp-up for Jozi@work : 2015-16

Funding level '000		3 139 088
Entities/ Co's		Jobs
small	111	5444
vsmall	451	8822
micro	4784	23543
total	5346	37 810



Further expansion areas 2015-16

- Full roll-out of Apprenticeship programme
- Off-ramping of co-ops and micro-enterprises – includes linkages to both township economy programmes at provincial level and wider universe of SMME interventions.
- Expansion into manufacturing and other areas with more significant capital base , linked to more explicit financing support from state and private financial institutions.



<http://www.joziatwork.org.za>



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