



RENTAL STOCK MAINTENANCE & REPAIRS PROGRAMME

SUB COUNCIL PRESENTATION

OCTOBER 2020



**CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD**



LAYING STRONG FOUNDATIONS FOR TOMORROW'S SUCCESS

PURPOSE

- The City of Cape Town has plans to repair and maintain the 57 519 rental stock units and develop approximately local SMMEs in all four regions (East, North, South and Central).
- Contracted NHFC for **Implementing Agent and Enterprise Development** services for **enterprise development** which include **fund management, implementing agent** and **mentorship support**
- To outline NHFC's project management benefits in creating a model that will have Local Economic Development benefits, transparency and increased delivery to communities where projects are to be implemented
- To outline the salient details of the programme how **aligned it is to the strategic objectives of the Department of Public Housing** and what are the **project benefits** as a catalyst towards City's enterprise developments challenges
- Overall purpose of this presentation is to inform and seek support and kick start social engagements from Sub councilors for the rental stock programme which will be implemented across City of Cape Town.

WHO ARE WE

- **National Housing Finance Cooperation** is an innovative **Developmental Finance Institution** that provides **programme management** services, **enterprise development** and **project finance** services to the **Human Settlements sector** across **all spheres of government**.
- Through its Programme Finance and Management portfolio that was established to address the shortfall in programme management capabilities within various spheres of the public sector through the following:
 - **Grant / Fund Management Programmes**
 - **Implementing Agent**

EXECUTIVE SUMMARY

- Obtained **Letter of appointment (LoA)** from City of Cape Town for Maintenance and Repairs of Public Housing Rental Stock for a period of 3 years
- LoA formally accepted by NHFC CEO
- Memorandum of Agreement finalized and signed by both parties 22 September 2020
- CoCT has agreed to **transfer project funds** for each financial in **tranches** to a NHFC controlled project account through National Treasury authorization in line with the MFMA & PFMA
- Appointment of CLOs and establishment of PSC through the sub council
- NHFC has submitted the following project documentation:
 - Project Implementation Plan
 - Programme
 - Budget
 - Terms of Reference
 - Detailed scope of works

EXECUTIVE SUMMARY

- Expression of Interest for creation of SMME only database ; tender advert to be out – 09 October 2020
- Advertise the tender in all sub-council offices for maximum participation of emerging enterprises
- Engaging with SARS and CIDB to provide desktop assistance during the briefing session
- Commenced with the engagements with the stakeholders:
 - Portfolio Committee
 - Sub council management

PROGRAMME OVERVIEW

- **Repair and maintain** programme for 57 519 rental stock units across 4 regions in the City
- **Develop** CIDB grade 1-3 contractors through an enterprise development programme
- Provide business and technical support
- Mid term reviews to assess development
- Provision of training
- **Local material supplier's** mentorship
- Programme duration is **3 years** (July 2020 – June 2023)

APPROACH & METHODOLOGY

- Conduct **social engagements** with sub councils and tenants to kick start the program
- Conduct **condition assessment** of the units
- Develop **Bills of Quantities** per unit
- Develop **database for local enterprises** across the 4 regions
- Conduct **Skills Interviews and Assessments** to ascertain gaps for development
- Provide **Mentorship support** services to selected contractors
- Enter into **Participation Agreements** with contractors

APPROACH & METHODOLOGY

- Conduct annual reviews of each enterprise to assess development inline with their SMP
- Facilitate **accredited training programmes**
- In partnership with **NHBRC and CIDB provide technical trainings** on site and off site
- Issue **work orders** to contractors
- Compile **Performance reports** and **Site monitoring reports**
- Finance contractors through Material Supply Undertaking programme for **material procurement**
- Month **financial recon** report, **monthly and quarterly reports** to the City

IMPLEMENTATION PLAN

- CIDB Grade 1 to 3 in different class of works, necessary certification required
- **Performance based Work orders** to be issued per month according to the CIDB grading on a sliding scale
- SMMEs to be supported through the Material Supplier Payment Undertaking to **guarantee the contractors to get material.**
- Manage the material supply through the supplier mentorship programme
- **Payment certificate:** split between material supplier and labor to be transferred to SMME business account

MATERIAL SUPPLY MANAGEMENT

- Produce local material suppliers through **material management and supplier firm**
- Mentor and support at least 4 regional enterprises to become suppliers to the project.
- Basic material primarily for the refurbishment of the rental stock units and basic materials
- Local suppliers to exit as **formidable material suppliers**
- SCM **competitive bidding process** to appoint the mentor supplier
- **Functionality criteria** with clear requirements to qualify as a mentor supplier

SOCIAL FACILITATION

Social facilitation process to be led by NHFC for extensive and intense social mobilization process

- Establishment of Project Steering Committees guided by the council's terms of reference
- Training of PSC members
- Facilitate process of CLOs appointments
- Training of CLOs
- Beneficiary engagements
- Local enterprises

SMME PROCUREMENT

NHFC to lead the SCM process for local enterprises procurement:

- Database creation of **local** enterprises to participate for each region
- Expression of Interest to invite participants to the programme – 09 Oct 2020
- Compliance requirements:
- Complaint status with the statutory bodies:

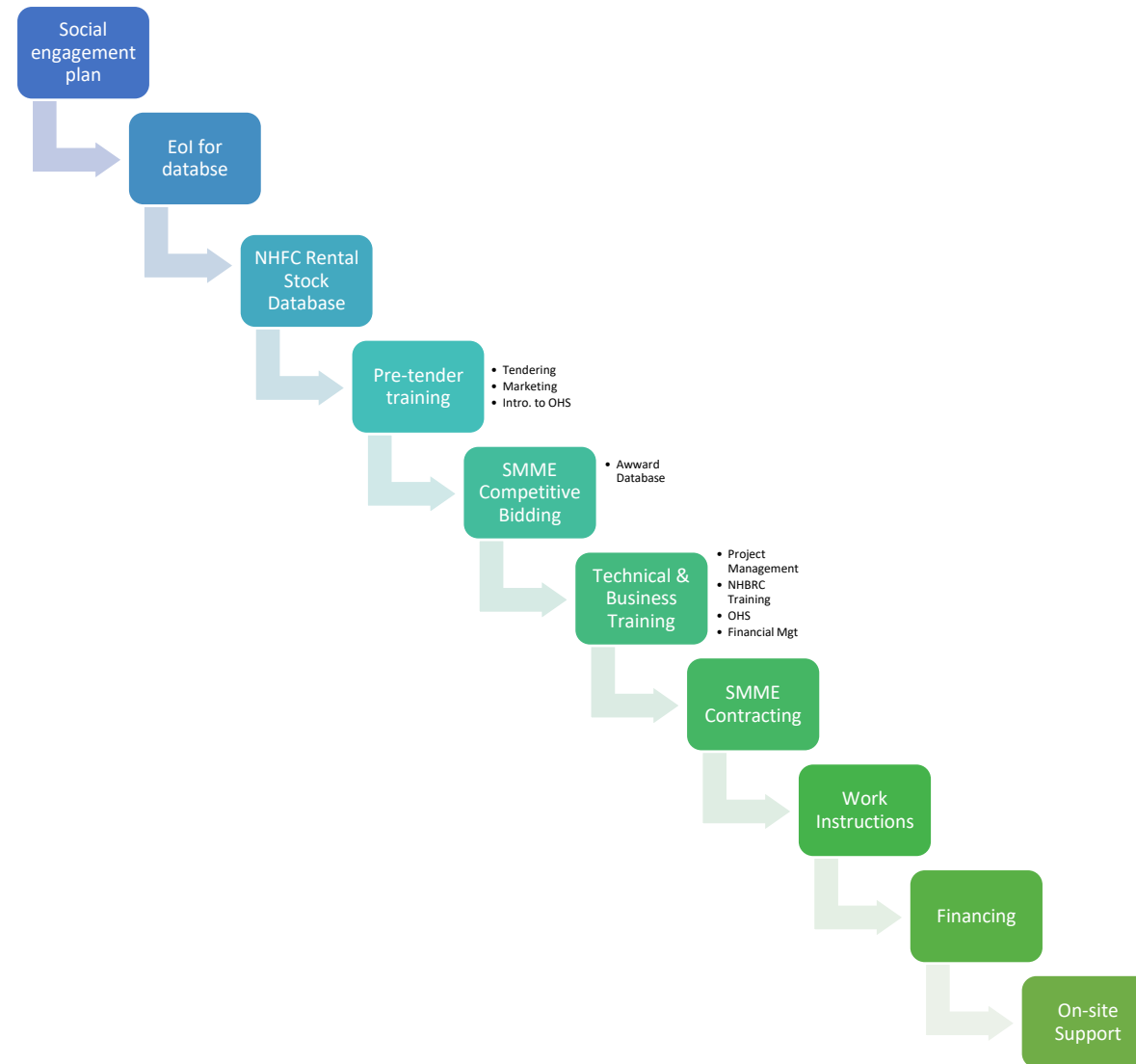
CIDB – Active

NHBRC – Active

Tax status – Active

- NHFC to facilitate above relevant entities to provide support where necessary

PROCESS FLOW



PROJECT SCOPE

- **Repairs and maintenance: C3 Services Notification report**
- C3 Report to be put up at sub council dashboard
- A **Work order** to be issued with reference number

ANALYSIS		DAMAGES CATEGORIES			
		Category 1	Category 2	Category 3	Category 4
REGIONS	No. of units	1- Very High	2- High	3- Medium	4- Low
East	1758	688	580	424	66
North	7776	3396	2131	1937	312
South	12426	2578	3887	4940	1021
Central	35559	16757	8673	9047	1082
	57519	23419	15271	16348	2481

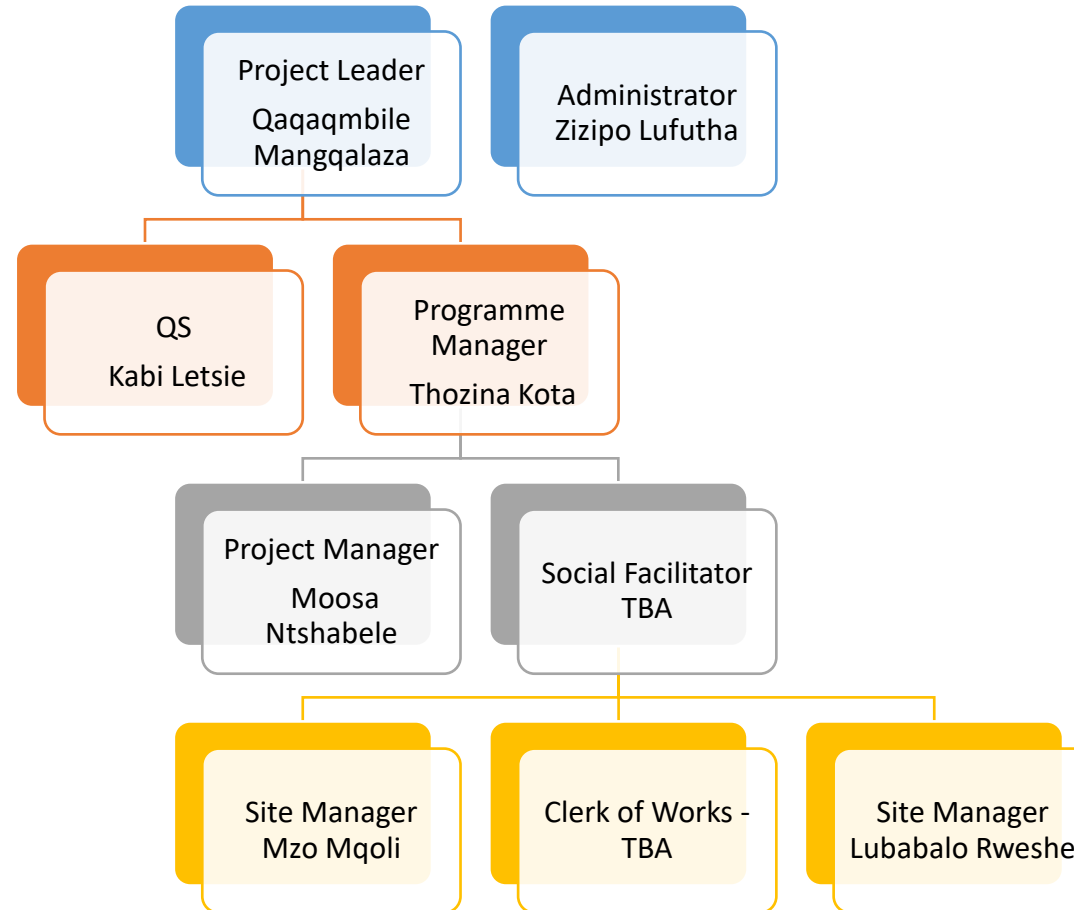
- Priority: Category 1 and fire damaged units

**NB: Not all units have the same damage and therefore there is no uniform allocation per unit.*

PROGRAMME

STAGE NO.	PROJECT STAGE	DELIVERABLES	TIMELINES	
			START	FINISH
1	Initiation (10%)	Singing of SLA	15 June 2020	15 July 2020
		PIP Approval	22 June 2020	10 July 2020
		Social Facilitator appointment	06 July 2020	31 July 2020
		Social Mobilizing (Sub-Council)	03 August 2020	07 August 2020
		Appointment of CLO	10 August 2020	14 August 2020
		Beneficiary Engagements	17 August 2020	21 August 2020
2	Planning (20%)	Condition assessments	24 August 2020	23 October 2020
		Bills of Quantities	17 August 2020	30 October 2020
		Database creation	15 July 2020	29 July 2020
		Contracting with SMMEs	29 July 2020	05 August 2020
		Skills Assessment	06 August 2020	14 August 2020
		SMME Mentorship Plans	06 August 2020	14 August 2020
		Pre-site occupancy training (incl OHS)	17 August 2020	21 August 2020
		Issue Work Orders	24 August 2020	31 August 2020
3	Execution (40%)	Site kick-off meeting	24 August 2020	31 August 2020
		Execution	01 September 2020	01 June 2021
		Week progress report	01 September 2020	01 June 2021
		Off- site training	01 September 2020	01 June 2021
		On- site training	01 September 2020	01 June 2021
		Certification of works	01 September 2020	01 June 2021
4	Monitoring (25%)	Monthly project meetings	01 August 2020	01 June 2021
		Monthly reports	01 September 2020	01 June 2021
		Monthly financial recons	01 September 2020	01 June 2021
5	Close-Out (5%)	Final Account	01 April 2021	30 June 2021
		Lessons learnt report	01 April 2021	30 June 2021
		Close out report	01 April 2021	30 June 2021

NHFC TEAM



THANK YOU