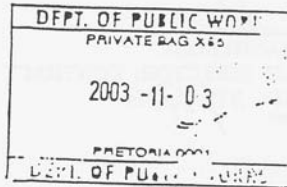




NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA

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The Director-General
Department of Public Works
Private Bag X85 65
Pretoria
0001
Fax: (012) 322 6830
Attention: Dr S.D. Phillips



REQUEST FOR APPROVAL FOR THE ALLOCATION OF INFRASTRUCTURE
PROJECTS AS ON-SITE TRAINING PROJECTS FOR EMERGING CONTRACTORS AS
PART OF STRUCTURED SETA-REGISTERED LEARNERSHIPS

Your letter forwarded to this Office on 8 September 2003 has reference.

The State Tender Board approved your request and ruled that your department must submit six monthly progress reports to the Board on the matter.

The Board has no objections should you inform government bodies of the position of the State Tender Board with regards to the allocation of training projects under structured learner ships.

The State Tender Board is aware that there is a number of commendable government initiatives aimed at developing emerging contractors in the construction industry. These initiatives include the Kubakhi Programme in Gauteng, the Sakhasonke programme of National Public Work, and the Limpopo Sakhasonke Programme.

The State Tender Board recognizes that it is often necessary to provide on-site training in addition to classroom training in order to develop contractors to a level at which they can compete successfully in the open market. The State Tender Board supports comprehensive emerging contractor development programmes, which include elements of both classroom and on-site training.

In this context, the State Tender Board is not opposed to national Departments entering into negotiated contracts with learner contractors for on-site training elements of their learner ships, as long as:

- (a) the learners are part of a structured learnership programme under a departmental, municipal, provincial or national emerging contractor development programme;
- (b) there has been an open and transparent process of selecting the learners for the learnerships;
- (c) the learners participate in the learnership programme for a predetermined limited period of time, following which they must either graduate or exit from the learner ship programme; and
- (d) the learnerships are formally registered with the relevant Sector Education and Training Authority (SETA).

Kind regards

W. MATHEBULA
CHIEF DIRECTOR: CONTRACT MANAGEMENT
DATE: 28/10/03
Scandpwt



NATIONAL TREASURY
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Director General
Department of Public Works
Private Bag X65
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Fax: (012) 315 6830
Attention Dr S D Phillips.

RE:REQUEST FOR APPROVAL FOR THE ALLOCATION OF INFRASTRUCTURE PROJECTS AS ON -
SITE TRAINING PROJECTS FOR EMERGING CONTRACTORS AS PART OF STRUCTURED SETA-
REGISTERED LEARNERSHIPS:

Your letter dated 08 September 2003 has reference

The above-mentioned matter served before the Board on 09 October 2003 where by latter approved the submission in its entirety.

Notwithstanding the above the Board also ruled that your department must submit a six monthly progress report to this Office on the matter


F.Alexander
For Chief Director:Contract Management

Date:16 October, 2003
DPW1



DEPARTMENT OF PUBLIC WORKS
REPUBLIC OF SOUTH AFRICA

Private Bag X65, Pretoria, 0001, Tel (012) 337-2000
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From: Dr Sean D. Phillips
Tel: (012) 337 3205 Fax: (012) 328 6820
e-mail: sean.phillips@dpw.gov.za

Mr J. Breytenbach
Office of the State Tender Board
National Treasury

8 September 2003

Dear Colleague


REQUEST FOR APPROVAL FOR THE ALLOCATION OF
INFRASTRUCTURE PROJECTS AS ON-SITE TRAINING PROJECTS
FOR EMERGING CONTRACTORS AS PART OF STRUCTURED
SETA-REGISTERED LEARNERSHIPS

There are a number of government initiatives aimed at developing emerging contractors in the construction industry. These initiatives include, for example the Kubakhi Programme in Gauteng, the Sakhasonke Programme of National Public Works, the Limpopo Sakhasonke Programme, and the planned Labour-intensive Contractor programme under the Expanded Public Works Programme. On-site training is a key component of comprehensive emerging contractor development programmes in order to develop contractors to a level at which they can compete successfully in the open market.

In order to expand these programmes, the Department of Public Works is seeking a letter from National Treasury, to confirm that government departments may enter into negotiated contracts with learner contractors for the on-site training elements of their learnerships, as long as:

- a) the learners are part of a structured learnership programme under a departmental, municipal, provincial or national emerging contractor development programme;
- b) there has been an open and transparent process of selecting the learners for the learnerships;
- c) the learners participate in the learnership programme for a predetermined limited period of time, following which they must either graduate or exit from the learnership programme;
- d) the learnerships are formally registered with the relevant Sector Education and Training Authority (SETA).

Yours sincerely


Sean Phillips
Coordinator: EPWP