

ANNEXURE G

Economic, Skills and Development Plan

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1 Economic and Skills Development Plan

This annexure outlines the plan on how the community will benefit within the 7 regions of Tshwane for the build and maintenance duration of the network infrastructure and the full roll out of the City of Tshwane Broadband Network (CBN). The intention is medium-term job creation and sustainable development that will continue to bear fruit long after the project is completed and handed to the City of Tshwane.

1.1 NDP 2030

The NDP 2030 is the narrative for a new growth and development trajectory for South Africa. The NDP 2030 is an integrated vision statement for South Africa. In summary, the vision sets out that South Africa in 2030 will have:

- An economy that will create more jobs;
- Improved infrastructure;
- Transitioned to a low-carbon economy;
- An inclusive and integrated rural economy;
- Reversed the spatial effects of apartheid;
- Improved quality of education, training and innovation;
- Quality health care for all;
- Social protection;
- Built safer communities;
- Reformed the public service;
- Fought corruption; and
- Transformed society and united the country.

1.2 City of Tshwane 2055 Vision

The purpose of Tshwane Vision 2055 is to provide the City of Tshwane with a broad development logic to guide the City's intervention and programme decision-making process over the next four decades of game changing.

The primary function of Tshwane Vision 2055 is to overcome tendencies of fragmentation and ensure that all structures of civil society, community based organisations and private business are coordinated around the implementation of agreed short to long-term priorities, mapping out various steps that need to be undertaken. In order to achieve the Outcomes of Tshwane Vision 2055, strategic priority interventions/programmes must be measurable, achievable, time bound, accompanied by budget, and supported by a capable institution to facilitate implementation.

Tshwane Vision 2055 is meant to serve the following objectives:

- To develop a framework to help us do a better job, to focus our energy, to ensure that all stakeholders and role-players are working toward the same goals;
- To assess and adjust the organisation's strategic direction in response to a changing environment;
- To open up a public discourse on the key challenges confronting the City and how together we can develop appropriate solutions; and
- To capture the imagination of City of Tshwane residents and stakeholders around the City's vision and hold each other accountable in our journey towards 2055.

Beyond identifying ideals, it is also necessary for the City of Tshwane, as part of its priority setting mechanism to weigh the trade-offs, manage competing interests, conflicts, make hard investment choices, and intervene decisively to represent the interest of its residents. It is for this reason that the Service Provider will assist in the project management of all the community economic development initiatives with the City of Tshwane's Economic Development Department (EDD) in order to ensure that our proposed SMME model and community economic initiatives for this broadband network aligns with EDD's local economic development goals.

2 Overview

The purpose of this proposal is to outline the creation of Small Enterprise Business Model for thriving local entrepreneurs to partake in the installation of the fibre optic backbone, last mile fibre and services sales opportunities for the City of Tshwane Broadband Project.

Client: City of Tshwane

Project: The Provision of Municipal Broadband Infrastructure: 18 Year period: 3 Year Build and 15 Year Operate.

The Service Provider will create an Academy to train prospective business owners to enable them to run a successful small businesses.

The fibre training course may as an example include some of the following modules

- Business Training including accounting, payroll, statutory requirements and Workmen's Compensation
- Health and Safety
- Trenching and Associated Civil works
- Basic Fibre Optic Technologies
- Fibre Splicing and Testing
- Practical on Site Training

Once the training is complete the successful candidates will be assisted in registering a company. It is expected that the candidates that work hard, display entrepreneurship and show initiative will be rewarded but at the same time will gain good practical experience that will stand them in good stead going forward and not join the ranks of failed quick fix attempts and business.

Through the Service Provider's network we will endeavour to offer Sale and Support agents' opportunities, which will afford local entrepreneurs a platform for becoming sales and support agents through a channel partner programme.

This programme encompasses monetary and non-monetary benefits

Monetary may include:

Business partners share in the gross profits related to sales and account management activity and are remunerated for technical services provided as part of end customer service provision.

Non-monetary may include:

- Access to our highly trained pre-sales teams to help scope and qualify opportunities
- On-going training on newly launched products
- 24x7 365 technical support
- Marketing Material
- Account Management

3 Aim

The aim of this SMME model is to empower and set up SMME's to be sub-contractors to the Main Build Contractor. These businesses will be mentored and trained so as to have a sustainable potential of long term success. Post the build phase of the project some of these business owners will continue with the fibre maintenance and services sales.

The initial phase of the project will see the new SMME partners work alongside established contractors to gain onsite experience. This method is a result of the rapid deployment plan set out by the city and allows the new SMME time to be trained and gain onsite experience.

3.1 Job creation

The principle aim of the SMME venture, is to create jobs within the local communities. Throughout the project, each SMME in their respective region will employ local community members as they roll out the fibre in those regions.

The final number of jobs created will be dependent on the roll out speed, type and route the city wish to follow.

For illustration proposes we use the below formula:

- Minimum Distance required per day over maximum trench-able route per day.
- In Metro areas it is estimated 2.5m per day per employee
- In Rural areas it is estimated 5m per day per employee

- 1,500,000 m scoped for the project.
- Estimated 242 working days per year
- Average of 3.75m per day across Metro and Rural will equate to 827 jobs being created throughout the project.

These jobs exclude the skilled labour that will be brought onto the project. Semi-Skilled and Skilled resources such as Site Surveys', Site Supervisors, Administrators, HR, SHEQ, Financial, Fibre specialists and Fibre designers will be required over and above the new jobs created in the civil sector. These skills sets will be drawn from the Tshepo 10 000 Entrepreneurship programme and CoT ICT and Civil / Construction Cooperatives.

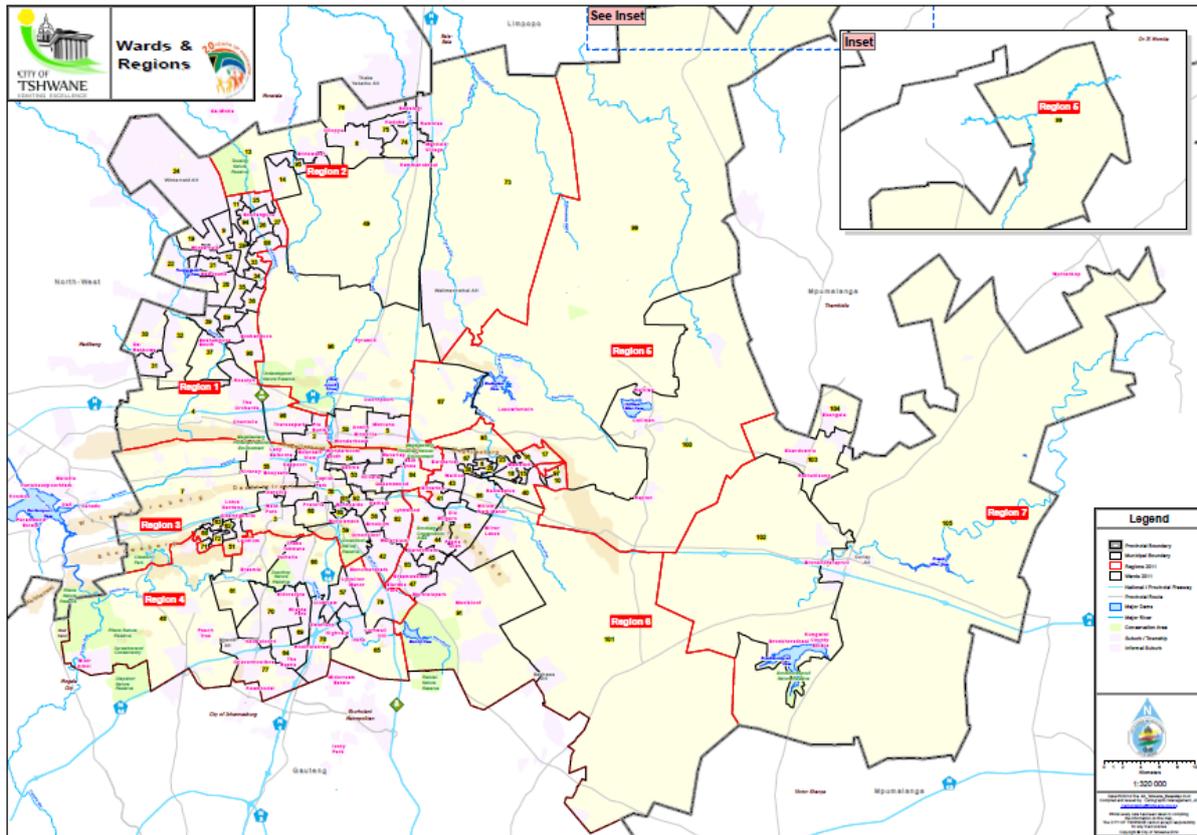
4 Selection Process

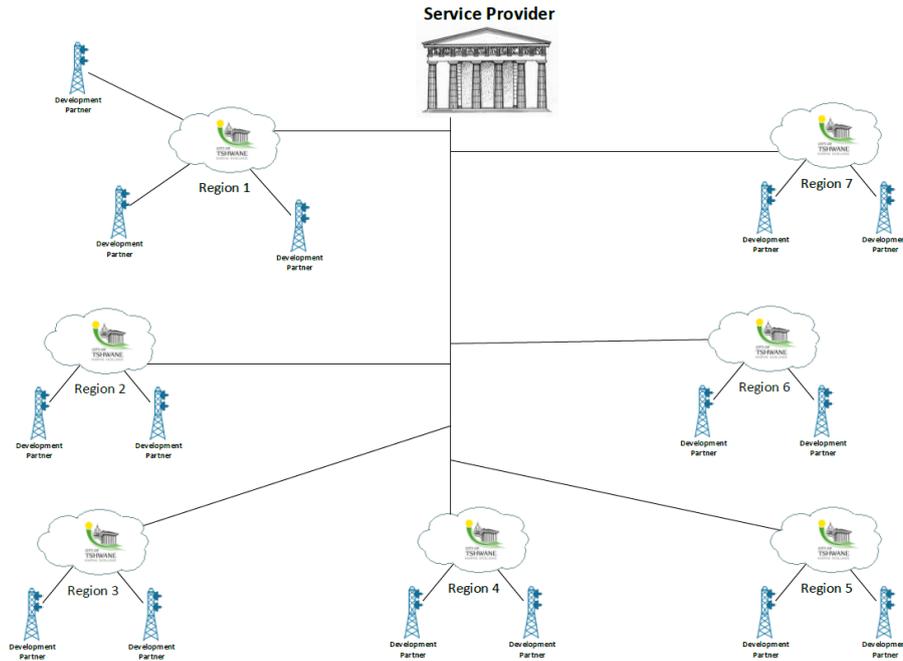
4.1 Regions

The purpose of elevating previously disadvantaged people is to take the opportunity to a broad base of potential candidates across all the regions of the City of Tshwane.

This will be achieved by negotiating with the community leaders in each region to put forward candidates for selection that meet prescribed requirements, are resident in the community and have no criminal record.

The Main Regions of the City of Tshwane are:





5 SMME Partner Selection Criteria

We are aware that the City of Tshwane has undergone a rigorous selection process with the University of Pretoria when it was setting up Co-operatives in different regions. We will piggyback on this process as part of our selection process in order to achieve greater success.

In terms of the selection criteria for the potential candidates, the use of a robust selection process (sifter pre-screener, competency based interview, psychometric assessment, stakeholder panel discussion, selection of candidates) will together outline and guide the Service Provider in determining which candidates in terms of the experience, education, skills, competencies will suitably fit the criteria for the SMME partner for each respective region.

Core behavioural competencies for an Entrepreneur profile:

- Energy & Drive
- Resilience
- Business Acumen
- Problem Solving & Critical Thinking
- Innovation
- Risk Taking & Risk Management
- Management (project/business)

- Information Management
- People Management
- Writing and Verbal skills
- Work Style (i.e. planful, rule following, persistent, etc)

6 Training Course Content

The Service Provider will co-ordinate the following potential courses which will gear up the SMME to successfully run and operate the business.

6.1 Business Skills

- Fundamentals of Business
- Financial management
- Human Resources
- Marketing Management

6.2 Technical Skills

- Fundamentals of Fibre
- Splicing and Termination
- Signal Loss
- Fault Finding
- Fibre Network Design

6.3 Practical Skills

- Fundamentals of Civil works
- Excavations
- Re-instatement
- Laying of sleeves
- Hauling/Blowing of Fibre

6.4 Programme

- Fundamentals of Project Programmes
- Risk Management
- Resource Management



7 Budget

7.1 Set Up Costs

Initial start-up capital will be required for each SMME. This will be needed to secure premises (Rental Deposit), Office equipment, and Operating cash to carry the SMME for the first few months whilst sites are being complete and invoices wait payment.

However, the Service Provider through the training centre may house an HR, Admin, Finances, Technical and Safety team that will be at the SMME's disposal during the 1st year, this will assist the SMME in overhead costs and/or outsourcing these skills until such time the SMME can sustain themselves.

7.2 Training Costs

A full list of training courses will be available to each SMME, the Service Provider along with the SMME will determine which course each individual will need to attend based on skill set and role within the venture

7.3 Administrative and Supervisory Costs

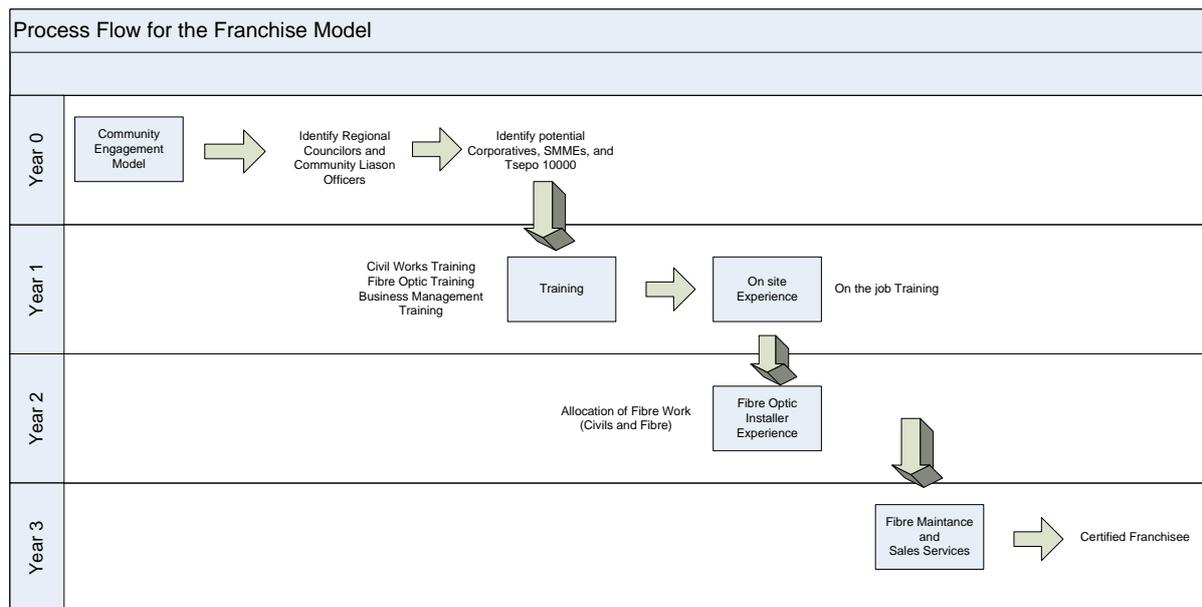
A contribution from each SMME will go towards the administrative costs for the combined group services, which each SMME will have full access to.

7.4 Community Engagement Model

- Presentation to Paliamentary Consituents Officers Meeting before public particiapation
- Identify and Engage Councilors in each region
- Community Liason officer (CLO) list in each region
- Identify Corporatives, Tsepo 10000 in the SCM database with the CLO
- Take them through a selection process
- The franchise model kicks in from here

8 Process Flow SMME Model

An indicative high Level process flow diagram is shown below.



9 Micro Enterprises Selection Criteria

The Parties agree that in terms of the selection criteria for the potential candidates as Micro Enterprises, the use of a robust selection process (sifter pre-screener, competency based interview, psychometric assessment, credit risk assessment, stakeholder panel discussion, selection of candidates) will together outline and guide the Service Provider in determining which candidates in terms of the experience, education, skills, competencies will suitably fit the criteria for the Micro Enterprises for each respective region. In addition, the Parties agree that in order to qualify as a Micro Enterprise in terms of clause 22.4, the Micro Enterprise must:

- have its registered place of business in Tshwane;
- have a gross annual turnover of R2 500 000,00 (Two Million Five Hundred Thousand

Rand) or less;

- have a total asset value of R2 500 000,00 (Two Million Five Hundred Thousand Rand) or less; and
- comply with all credit legislation including, but not limited to, the National Credit Act, 34 of 2005 (as amended from time to time) (it being recorded that the National Credit Act, 34 of 2005 (as amended from time to time) shall not apply to pre-paid customers).