

AIRPORTS COMPANY SOUTH AFRICA

BULK SERVICES INSTALLATION AND ACCESS ROADS AT
CAPE TOWN INTERNATIONAL AIRPORTS'S PRECINCT 3

TRANSFORMATION SPECIFICATION

May 2025

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2. PREAMBLE

The Transformation Specification is similar to a Technical Specification and is hence part of the contract. Non-compliance with the Transformation Specification will be considered as non-compliance with these Contract Performance Specifications and subjected to sanctions / fines as stipulated herein. In addition, this specification is NOT a Preferencing Policy.

3. SCOPE OF TRANSFORMATION SPECIFICATION

This document establishes ground rules for the implementation of the transformation strategy on the Contract. The document provides for the setting of Participation Targets and Compliance Criteria and the Audit of contract Compliance during the execution of the Contract relating the following parameters:

3.1 CONTRACT PARTICIPATION GOALS

- i. Equity
Relates to the Black Ownership of Participating Enterprises.
- ii. Management control and Employment Equity
Relates to the participation of Black People in the management and control of targeted enterprises.
- iii. Enterprise Supplier Development:
Relates to the participation and development of targeted enterprises on the contract.
- iv. Skills Development:
Relates to the spend on skills development on Black People.

3.2 DESIGNATED LABOUR EMPLOYMENT

Designated Labour Employment:

Employment of labour from specific areas with a specific designation.

3.3 LOCAL CONTENT

Prioritise use of local companies/suppliers:

Local content refers to the services, supplies and/or works necessary for the performance of the work.

South African National local content shall be prioritised on the contract with the exception of specialist equipment which is not available in South Africa.

The goals and targets are deemed to be well considered and achievable by any company willing to embrace transformation. The specification in no way intends to bestow entitlement to any group or grouping but rather seeks to foster inclusivity in the Contract.

4. APPLICABLE LEGISLATION, REGULATIONS AND STANDARDS

This Transformation Specification is underpinned by the following Acts, as amended periodically.

- i. The Constitution of South Africa
- ii. Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2022
- iii. ACSA AIRPORT STANDARD OPERATING PROCEDURES, Transformation Policy, 2017
- iv. CIDB Standard for Indirect Targeting for Enterprise Development through Construction Works Contracts, 2013)
- v. CIDB Standard for Developing Skills Through Infrastructure Contracts, 31 March 2023
- vi. CIDB Standard for Contract Participation Goals for Targeting Enterprises and labour through Construction Works Contracts – 31 October 2017
- vii. SOUTH AFRICAN NATIONAL STANDARD Construction procurement Part 5: Participation of targeted enterprises in contracts - SANS 10845-5:2015

5. TERMS AND DEFINITIONS

Where definitions are found in both the applicable documents listed above and herein, the definition contained herein shall take precedent.

5.1 BLACK PEOPLE

A generic term which refers to Africans, Coloureds, and Indians,

(a) Who are citizens of the Republic of South Africa by birth or decent, or

(b) Who became citizens of the Republic of South Africa by naturalisation:

(i) Before 27 April 1994 or

(ii) On or after 27 April 1994, and who would have been entitled to acquire citizenship by naturalisation prior to that date.

5.2 CONTRACT AMOUNT

The financial value of the contract at the time of award of the contract, exclusive of all allowances and any value added tax or sales tax which the law requires the employer to pay to the contractor.

as per (Standard for Indirect Targeting for Enterprise Development through Construction Works Contract)

5.3 CONSTITUTION

Constitution of the Republic of South Africa, 1996.

5.4 CONSTRUCTION WORK

The provision of a combination of goods and services arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling, or demolition including building and engineering infrastructure relating to the Contract.

5.5 CONTRACT PARTICIPATION GOAL (CPG)

Contract Participation Goals for this contract refers to the extent (measured in terms of value) to which Black People, targeted enterprises and designated labour are engaged on the project. The goals are measured with respect to the participation of Black People at ownership and management levels within the participating organizations; the engagement of targeted enterprises, manufacturers, or suppliers within the contract; the undertaking of Skills Development Initiatives; the undertaking of Socio-Economic Development initiatives and the employment of targeted labour on the contract.

5.6 COMMERCIALLY USEFUL FUNCTION

Performance of real and actual work, or the provision of services, in the discharge of any contractual obligation which includes, but is not limited to, the performance of a distinct element of work which the enterprise has the skills and expertise to undertake and the responsibility for management and supervision.

5.7 DESIGNATED GROUPS

Black People;

Black Women;

Black Youth;

Black People with Disabilities.

5.8 FLOW-THROUGH PRINCIPLE

Flow-through Principle means as a general principle when measuring the rights of ownership of any category of Black People in a Measured Entity, only rights held by natural persons are relevant. If the rights of ownership of Black People pass through a juristic person, then the rights of ownership of only Black People in that juristic person is measurable. These principles apply through every tier of ownership in a multi-tiered chain of ownership until that chain ends with a natural Black person holding rights of ownership.

- The method of applying the Flow Through Principle across one or more intervening juristic persons is as follows:
- Multiply the percentage of the Participants' rights in the juristic persons through which those rights pass, by the percentage rights of ownership of each of those juristic persons successively to the Measured Entity; and the result of this calculation represents the percentage of rights of ownership held by the Participant.

5.9 SUBCONTRACTOR

An entity appointed by the Contractor to execute a portion of the Works, as well as Suppliers from whom plant or materials are sourced.

Target Area:

Area 1: Refers to Freedom Farm, Malawi camp and Blikkiesdorp.

Area 2: The geographical areas, excluding Target Area 1, located within the boundaries of the Cape Town Metropole.

Area 3: The geographical areas, excluding Target Area 1 & 2, located within the Western Cape Province.

Area 4: The geographical areas, excluding Target Areas 1, 2 & 3, located within South Africa.

5.10 **TARGETED ENTERPRISES**

Enterprises which are 51% owned by Black male and/or Black women and/or Black youth and/or People living with disabilities that are contracted to provide a commercially useful function on the contract.

5.11 **YOUTH**

Black people who are youth as defined in the National Youth Commission Act of 1996

6. TRANSFORMATION SPECIFICATION REQUIREMENTS

6.1 CONTRACT PARTICIPATION GOAL

Contract participation Goals have been established in accordance with criteria as per ACSA's Transformation Sector Manual. The overall CPG target for Transformation is 51% of the Contract value. The Contract Value for CPG purposes exclude provisional sums, allowances, escalations and VAT.

Table 1 Contract Participation Goals Target Data and Score Weighting

Table 2: Contract Compliance Elements, Target Data and Score Weighting			
Element	Target Data	Weighting	Overall minimum Target
Equity	Minimum 51% Black Owned	40%	43.0%
Management Control and Employment Equity	Target of 51% Participation of Black People within the Main/Lead Contractor, JV Partners and Sub-Contractors who are Targeted Enterprises	20%	
Enterprise Supplier Development**	Target of 25% of the Contract Amount spent on engaging Targeted Enterprises and Targeted Suppliers (minimum target of **5% is compulsory)	50%	
Skills Development**	Minimum 0.25% of the Contract Amount	5%	
**Represents compulsory compliance elements. Non-Achievement of the target will result in Sanctions / Fines being imposed			

7. EQUITY PARTICIPATION – (TARGET 51%, WEIGHTING, 40%)

Objective:

Provide opportunities for targeted enterprises to participate at principal contractor level.

Performance Descriptions:

The participation of Black Owned Main Contractors, JV Partners, and Sub-Contractors on the Contract.

Performance Parameters:

Engagement of enterprises so that the Equity target of 51% of the Contract Value is achieved.

7.1 EVALUATION OF EQUITY PARTICIPATION

Credits shall be awarded to qualifying enterprises including the Main / Lead Contractor, Joint Venture Partners and Subcontractors, based on the participation parameters on the contract. Measurement shall be in accordance with *SANS 10845-5: 2015*.

Table 2: Evaluation of Equity Participation

Equity Target	SANS 10845-5:2015 / ISO 10845 Method	How	Criteria
51%	Method 1: Main Contractor	By Virtue of the Black Ownership Status of the Enterprises	% Black Ownership in the Enterprise
	Method 2: JV Partners	By entering an acceptable Joint Venture	% Black Ownership of the JV partner/s
	Method 3 Targeted Enterprises	By engaging one or more targeted enterprises	% Black ownership of the targeted enterprise

7.2 JOINT VENTURES

Joint Venture agreements may be formed with Targeted Enterprises to gain credits for Equity. A joint venture will only be granted credits for Equity subject to the following requirements being satisfied:

The Targeted Enterprise partner/s shares in the following aspects of the Joint Venture in an appropriate and meaningful manner, consistent with normal business practices:

- ownership;
- control;
- management responsibilities;
- risks; and
- profits.

The Targeted Enterprise partner/s is/are responsible for a clearly defined portion of work or service to be provided, equivalent to the Percentage Participation.

The Targeted Enterprise must use their own resources or resources contracted by the enterprise, independent of the Main Contractor, in performing the functions required for the work for which the enterprise is responsible.

7.3 CALCULATIONS OF CREDITS FOR EQUITY

Credits for Equity Participation shall be calculated as per Table 3 below.


The Participation Parameter is calculated by determining the value of work for which the enterprise is responsible for divided by the total Contract Value.

The percentage Black Ownership is actual percentage Black Ownership of the enterprise calculated using the Flow through Principle, if applicable.

The Effective CPG percentage is determined by Multiplying the Participation Parameter by the percentage Black Ownership.

For more than one JV Partner the effective CPG of each enterprise shall be calculated individually then added to determine the overall effective CPG for the JV partners.

Table 3: Calculation of Credits for equity

Equity Target	SANS 5:2015 / ISO 10845 Method	Participation Parameter (A)	% Black Ownership (B)	Effective CPG %	Weighting	Nett CPG %
51%	Method 1: Main Contractor	% of Contract under the control of the Main Contractor	% Black Ownership in the Enterprise	A*B	40%	Effective (CPG * Weighting)
	Method 2: JV Partners	% of Contract under the Control of the JV Partners	% Black Ownership of the Enterprise	A*B		
	Method 3 Targeted enterprises	% of Contract under the Control of the Targeted enterprise	% Black Ownership of the Enterprise	A*B		
Total Effective CPG %						

Example: Contractor A is a non-targeted company which has a Black Ownership of 35% and engages with 2 JV partners each having 51% and 100% Black Ownership. The work for which the contractors are responsible is made up as follows:

Main Contractor	60% participation
JV Partner 1	15% participation
JV Partner 2	25% participation

Example - The CPG Calculation is as follows:

Table 4: Example of Calculation of Credits for Equity

Participants	Participation Parameter (A)	% Black Ownership (B)	Effective CPG % (A*B)	Total CPG	Nett Weighted (40%) CPG
Main Contractor	75%	51%	38%	40%	20.40%
JV Partner 1	0%		0%		
JV Partner 2	25%	51%	13%		

7.4 VERIFICATION OF ENTERPRISES STATUS

Enterprises are required to submit completed Enterprise Declaration Affidavits in respect of every Enterprise whose contribution will be counted towards the CPG and / or Participation Target.

These documents shall be submitted prior to the submission of the first payment claim or as otherwise agreed in writing with the ACSA or ACSA's Representative. It is imperative that each enterprise prove its commercially useful function for which it has been engaged on the contract.

8. MANAGEMENT CONTROL AND EMPLOYMENT EQUITY (TARGET 51%, 20% WEIGHTING)

Objective:

Provide opportunities for Black controlled and managed enterprises to participate in the Contract.

Performance Descriptions:

Engage with Main Contractor, Joint Venture Partners and Sub-Contractors that are managed and controlled by Black people.

Performance Parameters:

Engagement of enterprises so that the Management and Control Target of 51%.

8.1 EVALUATION OF MANAGEMENT CONTROL AND EMPLOYMENT EQUITY

Management and Control shall be measured in accordance with

the *Amended Construction Sector Codes, 21 November 2017 - Statement CSC200: The General Principles for Measuring Management Control*. It is the obligation of the Main Contractor to prove the management and control credentials of all participants for which credits are claimed.

Should the Management and Control Measurement not be reflected in the Enterprise's existing BBBEE Scorecard, then a separate evaluation conducted by a SANAS approved verification agency for the

Management and Control element shall be provided. (The costs associated with undertaking the evaluation will count towards credits for ESD spend.)

Table 5: Evaluation of Management and Control

Management and Control Target	SANS 10845-5:2015 / ISO 10845 Method	% of Work Executed	Black Participation (B)
51%	Method 1: Main Contractor	% of Contract Executed by Main Contractor	% Black Management
	Method 2: JV Partners	% of Contract Executed by JV Partner/s	% Black Management
	Method 3: Sub-Contractors	% of Contract Executed by Sub-Contractors	% Black Management

8.2 CALCULATION OF CREDITS FOR MANAGEMENT AND CONTROL

Credits for Management and Control Participation shall be calculated as per Table 6 below.

The value of work performed by the enterprise using their own resources or resources hired by themselves, divided by the Total Contract Value Transformation, is used to determine the percentage of Work Executed. The value of work is determined by examining the amount paid for the performance of such work.

For JV partners, the value of work undertaken relates to the performance of actual work and may differ from their participation parameter in the Joint Venture.

The percentage Black Management is actual percentage Black Management of the enterprise as determined in 7.1 above.

The CPG percentage is determined by multiplying the percentage work Executed by the percentage Black Management.

For more than one JV Partner or subcontractor the effective CPG of each enterprise shall be calculated individually then added to determine the overall effective CPG for each category of participant.

Table 6: Calculation of Credits for Management and Control

Management and Control Target	SANS 10845-5:2015 / ISO 10845 Method	% of Work Executed (Amount Paid / CAT) (A)	% Black Management (B)	Effective CPG %	Weighting	Nett CPG %
51%	Method 1: Main Contractor	% of Contract Executed by Main Contractor	% Black Management	A*B	20%	Effective (CPG * Weighting)
	Method 2: JV Partners	% of Contract Executed by JV Partner/s	% Black Management	A*B		
	Method 3: Sub-Contractors	% of Contract Executed by Tier 2 Sub-Contractors	% Black Management	A*B		

9. ENTERPRISE SUPPLIER DEVELOPMENT - (TARGET 25%, WEIGHTING 50%)

9.1 OBJECTIVE:

The successful Contractor will be required to reserve a minimum of 5% of the Contract Amount for sub-contracting work or procuring materials/plant/goods from **Targeted Enterprises**.

9.2 PERFORMANCE PARAMETERS

The Contractor will be required to outsource or sub-contract at least 5% of the Value of the Contract to Targeted Enterprises, based on the following qualification criteria:

- I. Enterprises which are at least 51% owned by Black People, Black Women, Black People with Disabilities and/or Black Youth;
- II. Target Areas 1, 2, 3 and 4 shall apply;
- III. Targeted Enterprises shall have a valid Tax Clearance Certificate and VAT registration number;
- IV. Targeted Enterprises shall have a valid B-BBEE certificate, issued by a SANAS accredited Verification Agency, or affidavit as determined by the Amended Codes of Good Practice or relevant Sector Charters;
- V. Targeted Enterprises who qualify as construction contractors, shall be registered with the CIDB and comply with CIDB requirements.
- VI. The Contractor shall furthermore submit an Enterprise Supplier Development Proposal in accordance with the specification and ensure compliance with the requirements of the Board Notice 21 of 2013, CIDB *“Standard for Indirect Targeting for Enterprise Development through Construction Works Contracts”*, 29 January 2013, within 15 working.
- VII. The onus shall rest with the Contractor to ensure that all participants on the contract provide a commercially useful function on the contract.

9.3 EVALUATION AND CALCULATION OF CREDITS FOR ENTERPRISE SUPPLIER DEVELOPMENT

Only enterprises that have met the qualification criteria listed in 8.2 above, will be eligible to claim credits for ESD.

Credits towards achieving the minimum CPG shall be granted by converting the total monetary value (exclusive of VAT) of the agreements between the Contractor, or Contractor's sub-contractors/Suppliers, and targeted enterprises of the work performed by the enterprises using their own resources or resources hired by themselves, to a percentage of the contract value transformation. For JV partners, the Value of Work undertaken relates to the performance of actual work and may differ from their participation parameter in the Joint Venture.

No credits shall be accorded should the Contractor (or sub-contractors):

- a) make direct payment to third parties in connection with the contract on behalf of targeted enterprises, when such payment is recovered by making deductions from payments due to the targeted enterprise;
- b) fail to enter into written contractual agreements with the relevant targeted enterprises.
- c) Credits claimed towards the contract participation goal shall be denied where such written contractual agreements contain any of the following:
 - conditions which are more onerous than those that exist in the prime contract (this contract);
 - payment procedures based on a pay when paid system;
 - authoritarian rights given to the employing contractor, with no recourse to independent adjudication in the event of a dispute arising.
- d) No credits may be claimed in respect of targeted enterprises that do not adhere to statutory labour practices.
- e) No credits shall be accorded in respect of targeted enterprises engaged on work in respect of provisional sums or prime cost items.
- f) In addition to the form required for contract administration (the Targeted Enterprises Contract Participation Expenditure Report), the Contractor shall furnish the ACSA's Agent, upon written request, with documentary evidence that the targeted enterprises have their base of operations in the target area, copies of the contractual agreements with the various targeted enterprises, as well as documentary proof of payments made to the various targeted enterprises.

Table 7: Calculation of Credits for ESD

ESD Target	SANS 10845-5:2015 / ISO 10845 Method	% of Work Executed (<i>Amount Paid / CAT</i>) (A)	% of Target Achieved	Effective CPG (A*B)	Weighting	Nett CPG %
25%	Method 3: Targeted Sub-Contractors/Suppliers	% of Contract Executed	% of Target Achieved	(A*B)	50%	

10. SKILLS DEVELOPMENT (TARGET 0.25 % OF CONTRACT AMOUNT, WEIGHTING 5%)

The successful Contractor will be required to provide Skills Development opportunities in the work, directly related to the Contract, or as otherwise agreed by the ACSA, up to completion.

- The Tender is required to submit a Skills Development Proposal, within 15 working days after being instructed to do so by the Principal Agent, in accordance with the CIDB *“Standard for Developing Skills Through Infrastructure Contracts”, version 3 31 March 2023.*
- The Contractor shall allocate at least 0.25% of the Contract Amount to qualifying Skills Development Initiatives;

The Contractor is required to provide all informal (on-the-job) skills training, as to ensure that a minimum level of competence is achieved and maintained, such that the various activities are carried out safely and to the required standard. Targeted labour shall also be formally trained (where applicable) in main project trades, which includes, amongst other:

- Equipment Operators;
- Health & Safety;
- Built environment disciplines categories;
- Full compliance with the CIDB Standard for Skills Development.

The cost of training shall be included in the rates for the various work activities.

The contractor shall be responsible for all aspects relating to the management, administration, co-ordination, reporting and dealing with issues as they arise of the Skills Development commitments of all participants whose value of work make up the Total Contract Value

11. DESIGNATED LABOUR

The Contractor shall provide employment opportunities to Designated Labour for the duration of the Contract.

The Contractor shall allocate 3% - 5% of the Contract Value for the employment of Designated Labour (unskilled and/ skilled) for the duration of the Contract.

The Contractor shall be responsible for all aspects relating to the management, recruitment, administration, co-ordination, reporting and dealing with issues as they arise of the Designated Labour commitment of all participants whose value of work make up the Total Contract Value, i.e., including all sub-contractors, domestic, selected or nominated.

The following priority sub-categories shall apply to the recruitment of Designated Labour:

- Sub-category 1: Black Woman
- Sub-category 2: Black Youth (aged 18 – 35)
- Sub-category 3: Unemployed Black People

- Sub-category 4: People with disabilities, qualified by a medical practitioner to conduct work on site as per the applicable job description.
- Targeted Area 1 shall apply. Refer to Clause 5.9
- The above individuals must be South African citizens who permanently reside within the boundaries of the Target Areas. It is incumbent on individuals defined as Targeted Labour to demonstrate their claims to such residency based on identification and association with and recognition by members of the community residing within the area. It is incumbent on individuals to provide evidence of qualifying for the Designated Groups.
- Designated Labour does not include the current permanent workforce of the Contractor;
- The Contractor shall appoint Community Liaison Officers (CLO) as prescribed below:

11.1 COMMUNITY LIAISON OFFICER (CLO):

The Contractor shall appoint suitable and experienced CLOs for the duration of the Contract. The CVs and qualifications shall be provided to ACSA and the Principal Agent for approval.

The primary function of the CLOs shall be to assist the Contractor with the identification of targeted labour, to represent the local communities in matters concerning the use of labour (and/or enterprises) on the works and to assist with and facilitate communication between the Contractor, the Principal Agent and the local communities, including, but not limited to the following:

- Informing the community of project details, safety precautions and the construction programme.
- Maintaining records of potential labour within the community and provide the Contractor with copies of the information.
- To identify, screen and nominate labour from the community in accordance with the Contractor's requirements and determine, in consultation with the Contractor, the needs of local/designated labour for employment and relevant technical training, where applicable.
- Identify possible labour disputes, unrest, strikes, etc., in advance and assist the Contractor in the resolution thereof.
- Attend all meetings at which the community and/or labour is represented or discussed;
- Attend contract site meetings and report on community and labour issues at these meetings.
- Co-ordinate and assist with the obtaining of information regarding the community's needs (questionnaires, etc.);
- Inform local labour of their conditions of temporary employment, to ensure their timeous availability and to inform them timeously of when they will be relieved.
- Report monthly to the Contractor and communities with respect targeted local involvement, training and the equity status of employees.
- Keep a daily written record of interviews and community liaison.
- Assist with the training and education of the community regarding the correct usage of the services, where applicable.
- Any other duties that may become necessary as the works progress.

The identification of suitable CLO's (5 candidates) for the CLO positions shall be resolved by the relevant Ward Councilors/s. Should suitable candidates not be identified within two weeks of the date of request, the Contractor shall be allowed to seek candidates from the relevant Sub-Councils. The final selection and appointment of the CLO in terms of the contract shall be the responsibility of the Contractor.

It is required, therefore, that the Contractor enter into a Contract of Temporary Employment with the selected CLO, the contracting parties being the Contractor and the CLO. All costs involved shall be borne by the Contractor and the Tender shall be deemed to include for this. All labour related matters and/or disputes shall be the responsibility of the Contractor.

Guidelines for the minimum requirements for the appointment of a CLO are given below:

- Should have a Grade 12 with the ability to comprehensively read and write in English and relevant language spoken by the community;
- Should be able to demonstrate or provide evidence of knowledge of community and in forming good relations within the community;
- Should be able to identify Designated Labour;
- Should be able to identify local enterprises as suppliers or subcontractors;
- Should be reliable and accountable;
- Should understand construction and be able to communicate with Contractors and sub-contractors;
- Should reside in the local community/ies (Area 1).

11.2 SELECTION AND RECRUITMENT OF DESIGNATED LABOUR:

The Contractor shall prepare a selection and recruitment plan, taking community structures into account, for approval of ACSA prior to employing Designated Labour. The Contractor will be required to establish and administer community steering committee meetings which will include ACSA, Ward and Sub-Council members.

The Contractor shall report to the Principal Agent any matter relating to the employment of labour which may affect the contractor's obligations under the contract; together with the contractors' proposed solution to address the matter; as soon as practically possible.

12. COMPLIANCE, MONITORING & REPORTING

- i. The Contractor is to produce a CPG Implementation Plan within 15 working days of the contract being awarded. implementation plan will include milestone targets to be achieved on a defined period, based on the contractors planned work activities. to allow for progress reporting and monitoring the success of implementation. Failure to comply with pre-agreed milestones and performance targets will result in corrective action and or implementation of sanctions/fines.
- ii. The Contractor shall deliver and action its Transformation and Empowerment commitments as outlined in the CPG Implementation Plan, which progress will be reported by the Contractor, to the Principal Agent on a monthly basis during the term of the Contract.

- iii. The Contractor shall submit completed Targeted Enterprise declaration affidavits where relevant, with letters of undertaking to act as sub-contractors/suppliers/service providers in respect of each Targeted Enterprise whose contribution shall be counted towards the CPG. These documents shall be submitted before the engagement of the targeted enterprise. claim or as otherwise agreed with ACSA's agent.
- iv. The Contractor shall enter into written agreements with all the Targeted Enterprises cited in the CPG Implementation Plan and shall furnish the Principal Agent with copies of such agreements and the written acceptance thereof, on an agreed date.
- v. The Contractor shall assume responsibility for the compilation and maintenance of comprehensive records detailing each Targeted Enterprise's progress during the construction duration, starting from the award of a contract to Tax Clearance Certificates and B-BBEE certificates, until the successful completion of the work or termination of the contract.
- vi. The Contractor's participation performance will be measured quarterly (90 days) to monitor the extent to which he is striving to reach the CPG proposed in his tender.
- vii. The Contractor shall prepare and submit, on a monthly basis in reporting forms approved and provided by the Employer, the following:
 - Brief report which describes the functions performed by the Targeted Enterprises in the performance of the contract, both over the interim period and on a cumulative basis, as well as values allocated to the works performed;
 - A schedule which lists the names, identity numbers, gender, trade/occupation, period of employment, employment number and the like, as directed by the Principal Agent, together with the respective wage rates and allowances payable in respect of Designated Labour, including the monetary value of wages and allowances paid both on a cumulative basis and over the period for which payment is claimed;
 - Progress reports in terms of Skills Development and Socio-Economic Development, including, the Rand Value spend on SED or Skills initiatives, as well as hours trained for the measurement period;
 - Any other reports, information and/or schedules as reasonably requested and agreed upon between the Contractor, ACSA and Principal Agent.
- viii. The Principal Agent shall certify the value of the credits counted towards the CPG whenever a claim for payment is issued to the Principal Agent and shall notify the Contractor of this amount.
- ix. Reporting forms (as agreed upon) shall accompany the Contractor's monthly claim presented to the Quantity Surveyor and Principal Agent for payment of certified completed work. Failure to adhere to his requirements shall result in the delay of any payment due until the Principal Agent confirms that the forms have been received.
- x.

- xi. The Contractor shall provide to the Employer, upon receiving an instruction to do so, any documentation and/or evidence required by the Employer which in the Employer's opinion would be necessary to verify whether the Contractor has met the conditions of the CPG commitments as per the CPG Implementation Plan. The Contractor shall provide the said documentation and/or evidence within the period stated in the instruction. Where the Contractor fails to provide the documentation and/or evidence within the period stated, it will be deemed that the Contractor has failed in full to meet the CPG Targets in question. The provision of the documentation and/or evidence shall not constitute a compensation event.
- xii. ACSA and/or Principal Agent has the right to conduct audits on the Contractor's Transformation and Empowerment performance, measured against the CPG Targets

13. SANCTIONS / FINES

In the event that the Contractor fails to substantiate that any failure to achieve the contract participation was due to quantitative underruns, the elimination of items, or any other reason beyond the Contractor's control which may be acceptable to the Employer, the Contractor shall be liable to pay to the Employer a financial penalty calculated in the following manner: - where D is the tendered contract participation goal percentage;

- Do is the contract participation goal which the Employer's representative, certifies based on the credits passed, as being achieved upon completion of the contract;
- CA is the contract amount.
- P is the monetary value of penalty payable

$$P = (0,15 \times (D - Do) \times CA) / 100$$

No financial award is due for over performance on CPG.

E.g. Contract Amount Transformation:	R20m
Black equity in JV	42
Actual credits received	40% (as monitored and measured)
Therefore, points received	4.0
Difference	0.2 points
Fine= R20m x 1.1 x 0.002=	R44 000

For targets classified as mandatory, the fines shall apply for each of the targets that are not achieved notwithstanding whether the overall CPG Target is achieved.

No over performance payment will be due from the Employer.

Table 8: CPG Scorecard

Table 6: CPG Scorecard								
1. Equity	Companies Eligible to Contribute towards the score	% Participation*	% Black Ownership*	Effective CPG	Weighting	Weighted CPG	Contract CPG	
Proposed Target 51%	% of Contract being Executed by Prime Contractor	75%	51%	38%	40%	20.40%	43.00%	
	% of Contract being Executed by Targeted JV Partners	0%		0%				
	% of Contract being Executed by Sub-Contractors	25%	51%	13%				
	Total CPG Equity	100%		51%				
2. Management and Control	Companies Eligible to Contribute towards the score	% Participation*	% Black Management*	Effective CPG	Weighting	Weighted CPG		
Proposed Target 51%	% of Contract being Executed by Prime Contractor	75%	51%	38%	20%	10.2%		
	% of Contract being Executed by Targeted JV Partners	0%	0%	0%				
	% of Contract being Executed by Sub-Contractors	25%	51%	13%				
	Total CPG Management and Control	100%		51%				
3. Enterprise Supplier Development	Companies Eligible to Contribute towards the score	Actual %Sub-contracted to Targeted Enterprises	% of Target Achieved	Effective CPG	Weighting	Weighted CPG		
Proposed Target** 25%	% of Contract being executed by targeted Sub-Contractors	25%	100%	25%	50%	13%		
4. Skills Development	Contribution to Skills Development	% of Target Achieved			Weighting	Weighted CPG		
Proposed Target 0.25% of Contract Amount	% Contribution of Contract Amount	100%			5%	0.013%		
All figures are indicative								

14. CIDB B.U.I.L.D CONTRACT SKILLS DEVELOPMENT GOALS

The Contractor shall achieve in the performance of the contract the contract Skills Development Goals as stated in the Standard for Developing Skills through Infrastructure Contracts (Published in GN 48491 of 28 April 2023). The contractor shall achieve the measurable contract skills development goal by providing opportunities to learners requiring structured workplace learning using one or a combination of any of the following in relation to work directly related to the contract:

- **Method 1:** structured workplace learning opportunities that result in the attainment of a part or a full occupational qualification.
(an occupational qualification is a qualification associated with a trade, occupation or profession resulting from work-based learning. occupational qualifications make work experience an important part of learning.
- **Method 2:** structured workplace learning opportunities for apprentices or other artisans that result in the attainment of a trade qualification as specified in gg no. 35625, 31 august 2012)
- **Method 3:** work integrated learning opportunities for university of technology or comprehensive university students completing their national diplomas.
- **Method 4:** structured workplace learning opportunities for candidates towards professional registration by a statutory council.

Bidders shall commit to achieving the contract skills development goal and are provided with several methods for measuring their achievements. Bidders may, if need be, devolve their obligations onto subcontractors.

The Construction Skills Development Goal shall be a minimum of 0.25% of the contract value for this contract. The contractor shall make use of the table below in preparing a proposal on how the CSDG will be met in this contract.

Table : Skills Development Log

Skills Type	Number of Learners	Notional Cost/Learner/Quarter (Rand)	Notional Cost/Learner/Year(Rand)	Total Notional Cost over 12 months contract (Rand)
Method 1: a part- or full occupational qualification registered on the National Qualification Framework;				
Method 2: a trade qualification leading to a listed trade (GG No. 35625, 31 August 2012);				
Method 3: a national diploma registered on the National Qualification Framework;				
Method 4: registration in a professional category by one of the professional bodies listed in the standard.				
Total Cost (Cost of CSDG)				
CSDG Score % (Total cost of CSDG/Contract value excluding VAT)				