

Applying B.U.I.L.D Standards in Construction Projects

Objective



Cidb proposal

Provide an overview of the cidb Standard for
developing skills through infrastructure
contracts (Skills Standard)
CIDB Skills Development Agency (SDA)
Learner Management System (LMS)

cidb Standard for Developing Skills through Infrastructure Contracts

Gazette 48491 of 28 April
2023



IMPLEMENTATION OF THE SKILLS STANDARD

Objective of the Standard (i)

- **Workplace Training Opportunities**
 - **Method 1** - to provide structured workplace learning towards; part, or full occupational qualification;
 - **Method 2** - To provide structured workplace learning towards trade qualifications; apprentices, or other artisan learners 60% of the artisan learners from public TVET colleges

Objectives of the Standard (ii)

- **Workplace Training Opportunities**
 - **Method 3** - To provide work integrated learning opportunities for; university of Technology; or comprehensive University P1 & P2
 - **Method 4** - To provide structured workplace learning for; candidates for professional registration with statutory council

Application of the Skills Standard

- **Professional services contracts:**
 - R 5m and
 - 12 months duration or longer
- **Engineering and construction works contracts:**
 - cidb grade 7 to 9 in all classes of works
 - 12 months duration or longer

Contract Skills Development Goals (CSDG)

- **Hours:**

- Professional services
- Service contract or an order issued in terms of such a contract

- **Headcount:**

- Engineering and construction works
- Design and build contracts or an order issued in terms of such a contract



CSDG; Hours Professional Service Contract

**150 hours allocated for placement per
R1 million of contract value**

E.g. R5 million contract value

5 X 150 hours

= 750 hours

**Therefore PSP must employ a person
using method 3 or 4 for a minimum
period of 750hrs**



Example of Training Spend:

Example Only

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Table 1. Final Tender Summary – Contract Skills Development Goal Example

Item	Description	Constant factor as per skills standard	Sub-total of professional fees	Professional fees in millions of Rands	Hours of placement provided
16	Skills Development				
16.1	Minimum Contract Skills Development Goal (CSDG) (professional fees in millions of Rands x 150 = number of hours of placement (R5,6m x 150 = 840 hours)	150	R5 600 000.00	R5,6m	840 hours



Notional Cost of Training:

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Table 3

Type of Training Opportunity	Provision for stipends (Unemployed learners only)	Provisions for mentorship	Provisions for additional costs*	Total costs	
				Unemployed learners	Employed learners
Method 1					
Occupational qualification	R7 000	R0	R9 000	R16 000	R9 000
Method 2					
TVET College graduates	R14 000	R0	R9 000	R23 000	N/A
Apprenticeship	R14 000	R0	R12 000	R26 000	R12 000
Method 3					
P1 and P2 learners	R24 000	R20 000	R4 500	R48 500	N/A
Method 4					
Candidates with a 3 year diploma	R37 000	R20 000	R4 500	R61 500	R20 000
Candidates with 4 year qualification	R47 000	R20 000	R4 500	R71 500	R20 000



Example of Training Cost:

Example Only

Calculation of hosting a student/candidate in months:

$840 \text{ hours} / 8 \text{ hours per day} = 105 \text{ days}$

$105 \text{ days} / 21.67 \text{ working days per month} = 4.85 \text{ months}$

Cost of hosting a learner / candidate using Table 3 of the skills standard:

For example, using:

Method 3: P1 and P2 learners, or a 240 credits qualification

$R48\,500 / 3 = R16\,167$ (total cost per month to host a learner)

Total cost : $R16\,167 \times 4.85 \text{ months} = R\,78\,409.95$ (this includes the stipend, mentorship and provision for additional cost as described in the skills standard).



CSDG in Headcount

qpb

Table 2

Class of construction works as identified in terms of the cidb regulation		Construction skills development goal (%)
Designation	Description	
CE	Civil Engineering	0.25
EB	Electrical Engineering work (buildings)	0.25
EP	Electrical Engineering works (infrastructure)	0.25
GB	General Building	0.5
ME	Mechanical Engineering	0.25
SW	Specialist works	0.25



Example of CSDG Calculation:

Example only

Sub-Total contract value	R 60,000,000.00
Contract duration	12 months
Class of Work	CE
CSDG (from Table 2.)	0.25%
Minimum CSDG	R 150,000.00



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Example of Training Spend:

Example Only

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Item	Description	Unit	Qty	Rate	Price
16	Provision for stipends(unemployed learners) (method 3)	Per quarter	3	24000	72 000
	Provision for Mentorship(method 3)	Per quarter	3	20 000	60 000
	Provision for additional cost (PPE, Medical assessment, course fees) (method 3)	Per quarter	3	4500	13 500
	Provision for additional cost, employed learner (PPE, Medical assessment, course fees, assessment and monitoring) (method 1 Employed Learner)	Per quarter	1	9000	9000
	Minimum CSDG sum = CE(0.25%) x Subtotal (R60 000 000)			0.25%	R154 500

Clients Role

- **Include the standard in your tender document**
 - **Provide the proforma documents**
 - **Give guidance on the implementation**
- **Register the Project award on the cidb RoP**
- **Monitor the training**
- **Ensure all learners must be registered on the CIDB SDA LMS**

Contractor's Role

- **Provide workplace learning opportunities:**
 - **Employed learners (33 percent of the CSDG)**
 - **Unemployed learners (67 percent of the CSDG)**
- **Appoint a coach/mentor for learners if using Method 3 or 4**
- **All learners must be registered on the CIDB SDA LMS**
- **Can source learners directly or through the CIDB SDA**

Project Compliance

- **Submitting:**
- **Compliance baseline training plans (Form A2)**
- **30 days after contract award**
- **Quarterly compliance reports (Form A3)**
- **Final contract compliance report (Form A5)**
- **30 days after practical completion**



Baseline Training Plan Form A2:

Example Only

Construction Skills Development Goal (CSDG) Training Plan

Training Method	Number of Employed Learners	Number of Unemployed Learners	Area/s of Specialisation/Trade	Duration of Placement	Total Notional Cost
Method 1: Skills Programme		4	Scaffolding	3 months	R64 000
Method 2: FET College Graduates/ Apprenticeship		2	Bricklaying and Plastering	12 months	R184 000
Method 3: P1 and P2 learners or a 240 credit qualification		0	-	-	-
Method 4: Candidacy with 360 credit qualification		1	Project Management	12 months	R246 000
Total		7			R494 000

Contractor Non-Compliance to CSDG

- Opportunities provided could not be linked to contract;
- Failure to register beneficiaries on CIDB SDA LMS
- Reporting criteria not adhered to;
- Conditions of employment and allowances not in accordance with legislative provisions;
- Contractor not maintaining training records

Skills Development Agency SDA

What is an Skills Development Agency (SDA)



- Facilitates the implementation of the cidb Skills Standard
- Provides support to clients, contractors and beneficiaries of the Skills Standard



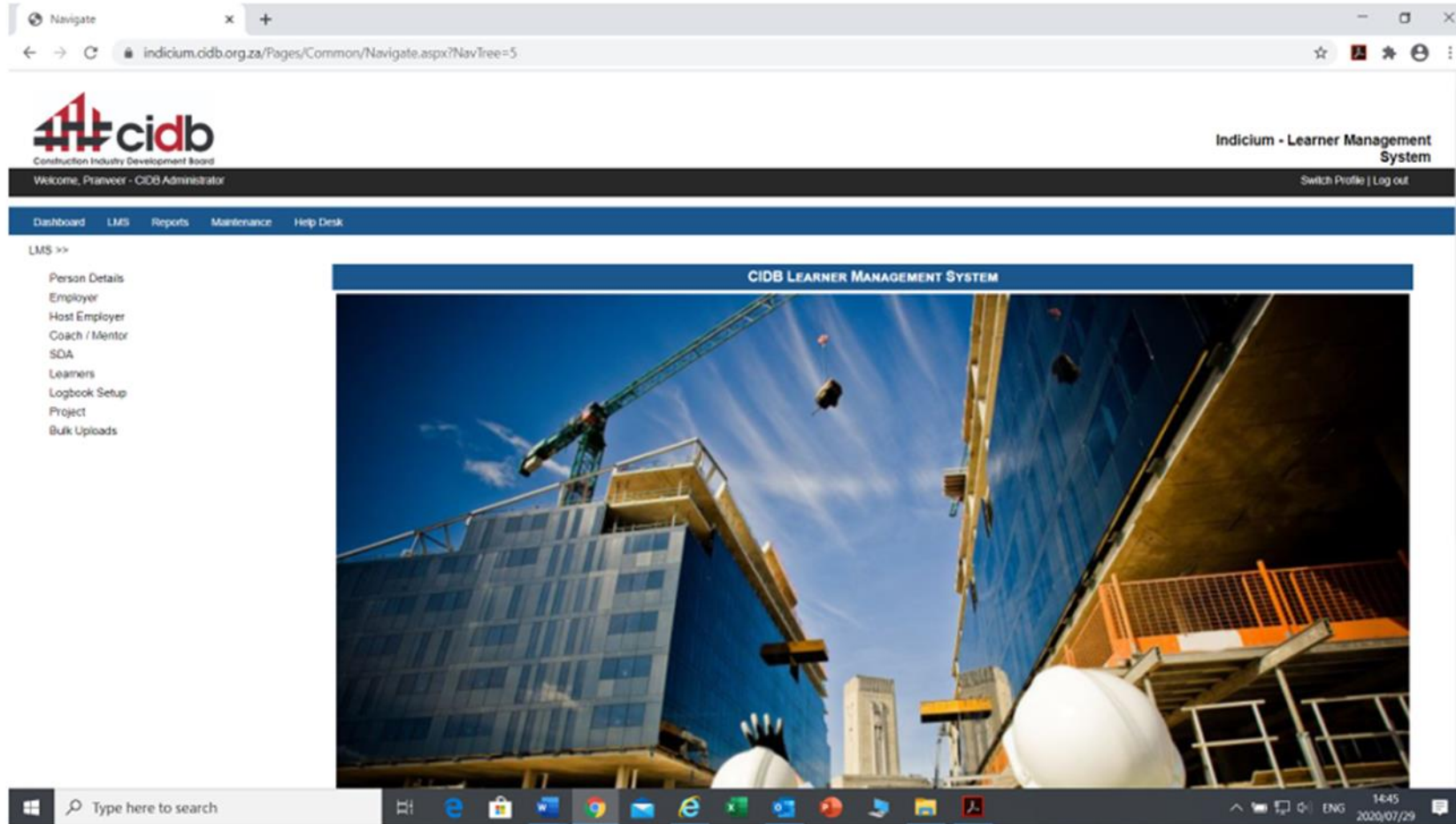
Role of the Skills Development Agency

- Skills Development Agency (SDA) can assist by:
- Preparing training plans;
- Providing training and access to the CIDB LMS;
- Monitoring through the LMS
- Preparing reports for the employer's representative and cidb at practical completion of the contract

Learner Management System (LMS)

- The LMS is a web based system developed to support the administrative requirements of the cidb Skills Standard.
- Track the impact of the cidb Skills Standard
- The cidb SDA will manage access and training on the LMS.

Learner Management System (LMS)



Thank you

cidb Standard for Indirect Targeting for Enterprise Development

cidb Standard for Indirect Targeting for Enterprise

The cidb Standard for Indirect Targeting for Enterprise Development helps clients to set goals for development of emerging contractors on public sector projects through subcontracting and joint ventures



cidb Standard for Indirect Targeting for Enterprise

Establishes contract participation goals (CPGs) for enterprise development of targeted enterprises

Requires lead partner or main contractor

dedicate **a minimum 5% of total project value to** targeted subcontractor or joint venture partner

provide developmental support to targeted subcontractor or joint venture partner

Applicable to contracts in **Grades 7 to 9 General Building and Civil Engineering** contracts

Can be adapted to other cidb Classes of Works



Contractor Role

- **Conduct needs analysis to identify developmental areas**
- **Contractor should provide developmental support in at least two listed areas:**
 - **administrative; cost control systems**
 - **construction management systems and plans**
 - **planning, tendering and programming**
 - **business; technical; procurement skills**
 - **legal compliance**
 - **credit rating/history; financial loan capacity**
 - **contractual knowledge**



Contractor Role

- **Contractor shall appoint enterprise development co-ordinator:**
- **develop a project specific enterprise development plan**
- **submit to the employer's representative a monthly enterprise development report**

Contractor Role

- **Criteria for an Enterprise Development Co-ordinator**
- **The enterprise development co-ordinator shall have the following competencies:**
- **Minimum experience of 5 years in the construction industry at Managerial level as a Site Agent, Contracts Manager, Site Manager, Construction Manager, Business Development Manager or Enterprise Development Manager.**
- **Minimum experience of 2 years in training and development in Building or Construction; and**
- **National Diploma or B degree in the Built Environment or Business Management**

Role of the Client

Preliminary and General (Extract Indicating Provisional Sum from P&Gs)

Table 3: Breakdown of the items to be included in the tender data

Item	Description	Unit	Quantity	Rate	Amount (R)
15	Health and Safety				
16	Enterprise Development				
16.1	Enterprise Development of targeted enterprise/JV Partners				
16.1.1	Needs Analysis and Enterprise Development Plan per Targeted Enterprise	No.	1	5000	5000
16.1.2	Monitoring and Interim reporting per targeted enterprise (Enterprise Development Co-Ordinator)	Per Quarter	4	20000	80000
16.1.3	Project Completion report per Targeted Enterprise	No.	1	5000	5000
	Provisional Sum				105 000



Summary

Example Only

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Item	Description
1	Appoint Enterprise development coordinator
2	Needs analysis
3	Agreement on development Areas
4	Report on progress
5	Final assessment
6	Affidavit (Main and sub-contractor)

Thank you