



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

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Mr P Ndlamini
The Chief Executive Officer
Development Bank of South Africa
1258 Lever Road
Headway Hill
MIDRAND
5606

Dear Mr Ndlamini

ASIDI: UPDATED IPIP V1.8 APPROVAL

The Department of Basic Education (DBE) acknowledges receipt of the updated Infrastructure Programme Implementation Plan (IPIP) v1.8 dated 09 July 2012 and the covering letter dated 21 August 2012 on the 22 August 2012 for approval.

The covering letter requests for:

1. Approval of the IPIP;
2. Extension of practical completion from 20 August 2012 to 15 December 2012; and

DBE notes as follows:

1. That the actual construction costs as per the signed contracts amounts to R 669.9 mil. However the Department of Basic Education (DBE) approved R688.5mil construction costs (inclusive of VAT).
2. That the Professional Fees amounts to R65.8mil (inclusive of Disbursements, additional supervision and VAT).
3. That the proposed Management fee to the Development Bank of South Africa (DBSA) amounts to R39.8mil, approx 5% of the Project (Construction Cost and Professional Fees). The Programme Support Unit (PSU) is under the direct management of the DBE and no fees should be levied by the DBSA other than the cost of procuring this service.
4. That the DBSA proposed disbursements amount to R4mil.

5. That DBSA has not been able to undertake the Project Planning and Preparation for 2012/2013 and 2013/14 as per the MOA due to DBE not having issued necessary instruction.

DBE approves as follows:

1. The construction costs of R669.9 and a ceiling construction cost of R688.5. However expenditure over and above the signed contract amounts is tantamount to a Variation Order and should be referred to DBE for approval. (Inclusive of VAT). The costs to be managed per project);
2. Maximum amount of Professional Fees of R65.8mil (inclusive of Disbursements, additional supervision and VAT);
3. Maximum of 5% including disbursements for DBSA Management Fee based on the actual disbursements for - Construction Cost and Professional Fees. No additional Management fee shall be applicable due to extension of time related circumstances;
4. The extension of practical completion is granted subject to:
 - 4.1. The extension of time up to the last date of revised practical completion.
 - 4.2. No additional expenses to DBE to contractors or professional fees. Should the extension of time necessitate additional expenses, a submission for approval is to be made to DBE.
 - 4.3. Following, strictly, appropriate JBCC provisions for extension of time.
 - 4.4. Invoking, strictly, the necessary JBCC provisions to non-performing contractors.
 - 4.5. Any indulgences outside the terms of the contract to be approved by the DBE.

The first amendment to the Memorandum of Agreement is attached hereto for your consideration and signature.

Yours sincerely


MR P B SOOBRAYAN
DIRECTOR-GENERAL

DATE: 28/09/2012

CC: Mr. C. Ramphela



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA



**ACCELERATED SCHOOLS INFRASTRUCTURE DELIVERY
INITIATIVE [ASIDI]**

**UPDATED INFRASTRUCTURE PROGRAMME IMPLEMENTATION
PLAN (IPIP) DEVELOPED BY THE DBSA
FOR FINANCIAL YEAR(S): 2011-2012 & 2012-2013**

Status	For Approval by the DBE
Version	1.8
Date:	09 July 2012

DOCUMENT SIGN OFF

Sign-Off by DBE	Name	Mr PB Soobrayan
	Designation	Director General
	Signature	
	Date	
Sign-Off by DBSA	Name	Mr. T. P Nchocho
	Designation	Acting Chief Executive Officer: Development Bank of Southern Africa [DBSA]
	Signature	
	Date	

TABLE OF CONTENTS

1.	DEFINITIONS	3
2	PROGRAMME BACKGROUND, GOAL, OBJECTIVES	4
3.	PROGRAMME DELIVERABLES	6
4.	IMPLEMENTATION ARRANGEMENTS AND PROCESSES	12
5.	PROGRAMME BUDGET ALLOCATIONS AND COSTINGS	17
6.	PROGRAMME SCHEDULE, TIMELINES AND MILESTONES	20
7.	MONITORING AND REPORTING	23
8.	PROGRAMME PERFORMANCE EVALUATION	24
9.	MANAGEMENT PLANS	26
10.	IMPLEMENTATION STRATEGY	34

Annexure #1: Copy of Signed MOA between the DBE and DBSA ✓

Annexure #2: List of 50 Schools Targeted in 2011-2012 ✓

Annexure #3: Roles and Responsibilities of Stakeholders ✓

Annexure #4: Project Cash-flow ✗

Annexure #5: Consolidated Schools Building Programme Plan ✗

Annexure #6: Risk Management Plan ✓

Annexure #7: Quality Management Plan ✓

Annexure #8: Communications Plan ✓

Annexure #9A: Roles and Responsibilities of DBSA Mthatha Office Team ✗

Annexure #9B: Schools Project Grouping ✗

Annexure #9C: Details of Key Resources Provided by Appointed PSP ✗

**UPDATED INFRASTRUCTURE PROGRAMME IMPLEMENTATION
PLAN (IPIP) DEVELOPED BY THE DBSA
FOR FINANCIAL YEAR(S): 2011-2012 & 2012-2013**

1.0 DEFINITIONS

1.1 Definitions

In order to provide clarity the following definitions are used within this document:

DBSA: Refers to the Development Bank of Southern Africa

DBE: Refers to the Department of Basic Education

PIA: Refers to the Programme Implementation Agent (i.e. DBSA)

PIP: Refers to the Programme Implementation Plan

Programme: Refers to the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) programme

PSP: Refers to a Professional Services Provider – i.e. Built Environment Professional(s) responsible for Design, Quality Assurance and Contract Administration

1.2 Purpose of this Document

This *Programme Implementation Plan* (PIP) is the management document for the implementation of the ASIDI Programme. It will be owned, maintained and utilised by the DBSA and by the DBE and the National Steering Committee (NSC) of ASIDI to ensure the delivery of Programme outputs and the realisation of Programme outcomes.

The PIP was developed to provide:

- a) A comprehensive overview of all the Programme components
- b) A statement of how it is intended to produce the outputs
- c) A description of the roles and responsibilities of each of the parties in the governance structure of the Programme.
- d) The Programme's Steering Committee with a documented framework to ensure the achievement of defined Programme outputs and to effectively monitor the Programme from start to finish.
- e) A formalized agreement between the DBE, NSC and the DBSA ASIDI Programme Leader of what needs to be done and when.

The *Programme Implementation Plan* expands on the earlier evaluation conducted by the DBSA on the ASIDI Programme in order to:

- Provide specific details on the scope, governance, budget, resources, work plan and milestones of the Programme.
- Fully define the Programme and quality management processes to be used throughout the Programme.
- Gain authorization to proceed to the next step of the Programme in accordance with the MoA between the DBE and DBSA.

It should be noted that development of the *PIP* is **not a static process**, and that all aspects described in this *PIP* must be re-examined many times over the life of the Programme, particularly where a great deal of change is involved. This iterative development should involve the DBE, NSC and DBSA. The key is to obtain clear sign-off where scope changes are required during the life of the Programme.

2.0 PROGRAMME BACKGROUND, GOAL, OBJECTIVES AND DELIVERABLES

2.1 Programme Background and Justification

The major and lengthy delays in the delivery of education infrastructure around the country, coupled with the under-spending of capital grants are of great concern to the government and as such are negatively impacting on the Education sector's ability to demonstrate success in infrastructure delivery

The Department of Basic Education (DBE) has been allocated funds by the National Treasury with the objective of addressing the backlogs in the eradication of inappropriate school structures and the provision of basic services (water, sanitation and electricity) to schools that do not have such services.

A Memorandum of Agreement has been signed between DBE and Development Bank of Southern Africa (DBSA) for collaboration in establishing education infrastructure and improved education outcomes. In terms of clauses 3.10, 4 and 11.1 of the MOA, the DBSA is appointed as a Programme Implementing Agent (PIA) for designated components (sub-programmes) of the ASIDI Programme which are set out in clause 8 of the MOA.

A copy of the MOA between the DBE and the DBSA is attached herewith as Annexure #1

2.2 Programme Goal

The Programme is part of DBE's schooling 2025 plan which is aimed at improving learning outcomes and bringing about better access to education. It has been conceived to be a medium to long term initiative with the goal of eliminating the backlogs in schools infrastructure according to the following criteria:

- a) Where the existing schools do not have basic services and hence do not meet the basic safety norms, they will be provided with water, sanitation, electricity, and fencing to bring them up to Basic Safety compliance levels.
- b) Where the entire school is built of an inappropriate material especially mud, the school will be replaced with a school to optimum functionality levels as prescribed in the DBE's Guidelines Relating to Planning for Public Schools Infrastructure (approved in 2011).

The main goal of the Programme is therefore to eradicate inadequate, unsafe and poor physical infrastructure in schools by properly utilizing funding that will be made available to the DBE under the Schools Infrastructure Backlog Grant (SIBG) allocations in the Division of Revenue Act. It is noted that the SIBG allocation is a schedule 7 grant to Provinces whereby the beneficiary Provinces receives the asset(s) funded from the grant and not the actual transfer of funding.

2.3 Programme Objectives

Based on the stated Programme goal above, the Programme's key primary objectives are to:

- a) Replace in the medium term all schools that have been built of inappropriate materials (e.g. mud schools) with new schools that meet the Department's specified level(s) of functionality.
- b) Address all targeted schools that need to be brought up to basic safety functionality levels (water, sanitation, electricity and fencing) in the medium term
- c) Upgrade schools in the long term to optimum functionality by providing associated and specialist classrooms facilities e.g. libraries, laboratories, and administration blocks.

In addition to the above, the Programme's secondary objective is to implement a strategy specifically designed to:

- Streamline decision making and accountability in respect of infrastructure delivery

- ❑ Address delays in planning, procurement, construction and financial close-out by adopting a parallel approach to planning, procurement and construction
- ❑ Address current resource and skills constraints within the DBE by institutionally strengthening the Project Support Unit (PSU) within the DBE and building capacity for the long term.

3.0 PROGRAMME DELIVERABLES

3.1 Programme Components

The Programme components to be implemented by the DBSA consist of three sub-programmes namely:

- a) Establishment of the Programme Support Unit at the DBE. It is noted that in terms of the MOA, the term of the PSU will terminate on 31 March 2014. The establishment of the PSU was expected to be completed as soon as possible and was duly completed in September 2011.
- b) Project Planning and Preparation for 2012-2013 and 2013-2014 fiscal years. Although completion was initially envisaged in the MOA by 31 December 2011, however due to lack of information, no progress has been made to date on this Programme component.
- c) The schools Building Programme - covering the building of the 49 schools in 2011-2012 year listed in Annexure #2. It is noted however that this Programme component is currently under implementation and completion is now expected in the 2012-2013 financial year.

3.2 Classification of Programme Elements

3.2.1 Geographical Distribution of Schools

For the schools building programme, 50 schools were initially targeted. One school (Ntsika Yesizwe) in Lusikisiki was subsequently removed from the initial list as the Provincial Department of Education has already handed over the site and appointed contractors to construct the school. The remaining 49 schools covered by the schools building programme of 3.1.(c) above for the 2011-2012 financial year are located in various local municipalities in the Eastern Cape Province with the distribution as outlined in Table 1 below:

Table 1: Location of Schools in the Schools Building Programme (2011-2012)

Local Municipality	Town	Number and names of targeted Schools in locality
1. Nyandeni LM	Libode	38 schools – Qaka, Ntsonyini, Notsolo, Ngidini, Mpatiswa, Mqokolweni, Zingisile, Nogaya, Ndlovayiphathwa, Ndluzula, Nomandla, Manzabila, Gqweza, Goso, Gcinisizwe, Gungubele, Dikiso, Eludikidi, Ndavuzwa, Maqolo, Mahahane, Madwaleni, Ludeke, Jonguxolo, Upper Mbangwe, Dumile, Vuyani, Tshantshala, Mseleni, Sidanda, Mceteni, Welese, Sizane, Sompqa, Nkonkoni, Tembeni, Maphindela, and Sizwe
2. King Sabatha Dalindyebo	Mthatha	6 schools – Vulindlela, Nginza, Kwenxura, Kwezilethu, Nobantu, and Lower Mpako
3. Ingquza Hill LM	Lusikisiki	5 schools – Mandlobe, Mazama, Thabatha, Dumakude, and Dakhile
Total Number of Schools		49

3.2.2 Classification of Schools by Size

The 49 targeted schools in the 2011-2012 financial year can be grouped in terms of their sizes as either small, medium or large schools as per the DBE's Guidelines Relating to Planning for Public Schools Infrastructure. The number of schools falling into each group is outlined in Table 2 below.

Table 2: Grouping of schools by size on the Schools Building Programme for 2011-2012

School Type	Small Primary	Medium Primary	Large Primary	Small Secondary	Medium Secondary	Large Secondary	TOTAL
No.	33	11	0	2	3	0	49
TOTAL							49

The key deliverables, target completion dates and associated responsibilities are outlined in tables 3.1, 3.2, and 3.3 below.

Table 3.1: Programme Deliverables and Estimated Target Completion Dates for Establishment of the PSU at the DBE

SUB-PROGRAMME: Establishment of the Programme Support Unit at the DBE		
DBSA Responsibilities	Key Outputs / Deliverables	Estimated Target Completion Date(s) of Deliverables
1. Clarify DBE's requirements	<input type="checkbox"/> Terms of Reference for required resources and services	<input type="checkbox"/> <u>Early</u> : 24 August 2011
2. Develop terms of reference and specifications for required resources and services	<input type="checkbox"/> Tender evaluation and adjudication reports	<input type="checkbox"/> <u>Late</u> : 30 September 2011
3. Procure and deploy resources to the DBE	<input type="checkbox"/> Appointment and Induction of PSU resources	This sub-programme had been completed in September 2011
4. Establish (Physically set-up) PSU at DBE through deployed resources	<input type="checkbox"/> Operational Programme Support Unit (PSU) established at the DBE	
5. Administer contracts entered into with Service Providers in respect of deployed resources	<input type="checkbox"/> Quarterly Performance monitoring reports by DBE	

Table 3.2: Programme Deliverables and Target Completion Dates for Project Planning and Preparation for 2012/2013 and 2013/2014

SUB-PROGRAMME: Project Planning and preparation for 2012/2013 and 2013/2014		
DBSA Responsibilities	Key Outputs / Deliverables	Estimated Target Completion Date(s) of Deliverables
1. Obtain outputs of preliminary planning from the DBE / PSU in relation to targeted schools 2. Undertake with DBE the relevant Development Facilitation on the project locations 3. Develop terms of reference and specifications for service providers to undertake the project planning and preparation assignment 4. Procure and deploy service providers to undertake planning and project preparation 5. Monitor performance of Service Providers undertaking project preparation of the targeted schools 6. Manage contracts entered into with service providers 7. Present and report the outputs to the DBE	<ul style="list-style-type: none"> ■ Site verification and suitability reports per school ■ Terms of reference for planning and preparation ■ Tender evaluation and adjudication reports ■ Project execution plans for the building of each of the targeted new schools in the 2012-2013 and 2013-2014 financial year ■ Full set of localized construction drawings, specifications, bill of quantities and other bidding documentation per school ■ Consolidated Programme Execution Plan 	<ul style="list-style-type: none"> <input type="checkbox"/> Early: To be decided <input type="checkbox"/> Late: To be decided <p>There has been no progress on this sub-programme due to the DBSA not receiving the instruction as per MOA from the relevant party</p>

Table 3.3: Programme Deliverables and Target Completion Dates for Schools Building Programme in 2011/2012

SUB-PROGRAMME: Schools Building Programme in 2011/2012		
DBSA Responsibilities	Key Outputs / Deliverables	Estimated Target Completion Date(s) of Deliverables
<p>[A] Project Preparation and Feasibility:</p> <ol style="list-style-type: none"> 1. Obtain list of targeted schools from DBE and undertake with DBE some preliminary development facilitation with selected stakeholders and site identification surveys 2. Develop terms of reference and specifications for service providers to undertake the project planning and preparation assignment 3. Conduct intensive Development Facilitation targeting local stakeholders at the school locations 4. Procure and deploy service providers to undertake planning and project preparation 5. Monitor performance of Service Providers undertaking project preparation of the targeted schools 6. Manage contracts entered into with service providers 7. Present and report the outputs to the DBE 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Terms of reference for planning and preparation <input type="checkbox"/> Tender evaluation and adjudication reports <input type="checkbox"/> Site verification and suitability reports for 49 schools <input type="checkbox"/> Project execution plans for the building of each of the 49 no. targeted new schools in the 2011-2012 financial year <input type="checkbox"/> Full set of localized construction drawings, specifications, bill of quantities and other bidding documentation per school <input type="checkbox"/> Consolidated Programme Execution Plan 	<ul style="list-style-type: none"> <input type="checkbox"/> Early: 30 January 2012 <input type="checkbox"/> Late: 29 February 2012 <p>This part of the sub-programme has been completed</p>
<p>[B] Building of 49 Schools:</p> <ol style="list-style-type: none"> 1. Issue open tender for building of schools 	<ul style="list-style-type: none"> <input type="checkbox"/> Tender documentation <input type="checkbox"/> Tender Advertisement 	<ul style="list-style-type: none"> <input type="checkbox"/> Early: 31 August 2012

SUB-PROGRAMME: Schools Building Programme in 2011/2012

DBSA Responsibilities	Key Outputs / Deliverables	Estimated Target Completion Date(s) of Deliverables
2. Procure contractors to build the new schools 3. Undertake contract management including payments and certifications 4. Monitor performance of building contractors 5. Complete the building of the new schools 6. Provide progress reports to DBE / NSC 7. Hand over completed schools to the DBE for handover to the Provincial Education Department	<input type="checkbox"/> Tender evaluation and adjudication reports <input type="checkbox"/> Sign contracts with appointed contractors <input type="checkbox"/> Monthly progress and contract management reports <input type="checkbox"/> Completed the 49 schools <input type="checkbox"/> Close-Out Report	<input type="checkbox"/> Late: 30 November 2012 This sub-programme is currently under implementation

- Tables 3.1 to 3.3 also illustrate the Infrastructure Programme / Project Cycle.
- Any future Schools Building Programme is expected to be subject to discussions and agreement with the DBE
- The contract agreements currently being used in the schools building programme is that of the Joint Buildings Contract Committee [JBCC]

SAHA

3.3 Anticipated Programme Outcomes

It is anticipated that the implementation of the Programme as illustrated above will contribute immensely to the improvement in learning outcomes and to bringing about better access to education. At a national level, the Programme is expected to contribute to the Government desired medium term strategic national outcome of *improved quality of basic education*.

4.0 IMPLEMENTATION ARRANGEMENTS AND PROCESSES

4.1 Institutional Arrangements

The key stakeholders are the DBE, DBSA, PSU, PPMT, NSC of which the Programme Institution Arrangements are illustrated diagrammatically in Figure 1 below:

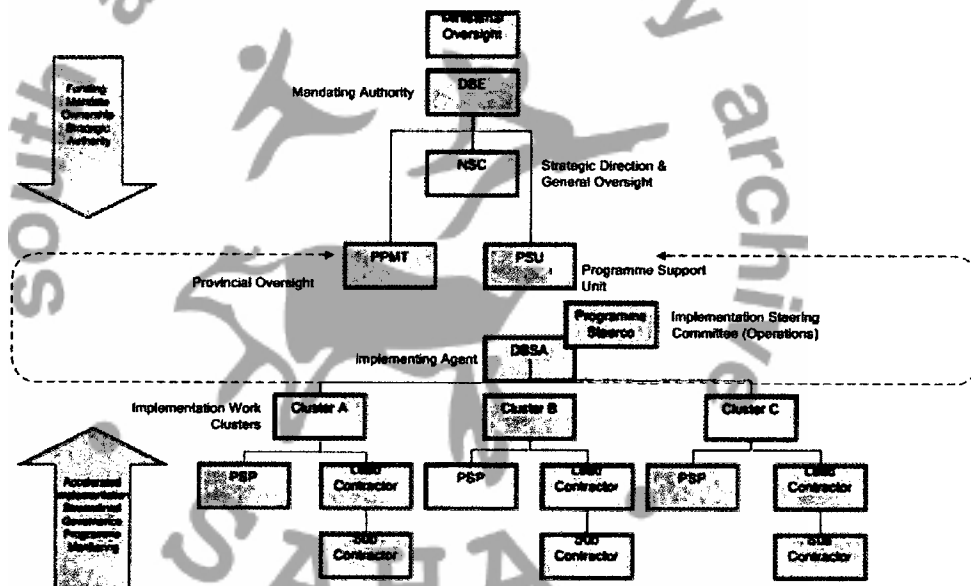


Figure 1: Institutional Arrangements - ASIDI

4.2 Programme Roles and Responsibilities

The roles and responsibilities of all stakeholders outlined in Figure 1 are detailed in Annexure #3 from which the programme management procedures, roles and responsibilities of the DBSA as the Programme IA are outlined as follows (amongst others):

- The IA shall chair the Programme Steering Committee on a monthly basis
- The IA will prepare an implementation plan for approval by the NSC.
- In conjunction with the DBE do the planning and preparation of the rollout and preparation

of the ASIDI Programme in terms of this agreement for the period 2012/2013 and 2013/2014.

- d) Review, in conjunction with the DBE, the Implementation Plan on a six monthly basis.
- e) The IA is to use its procurement procedures in the appointment of contractors for the programme.
- f) The IA is to establish or adopt appropriate contracting strategies.
- g) Depending on the nature and focus of the project or cluster of projects, contracts will be in accordance with the CIDB Toolkit Practice.
- h) The IA will engage with relevant community structures including school governing bodies and community structures in accordance with the guidance of the Programme Steering Committee, PSU and PPMT's references.

The MOA stipulates that the PIA shall further ensure that:

- i) Site hand-over to contractors is conducted.
- j) Execution of works and contract management including change control i.e. managing changes to any part of original contract and variation orders, measuring performance against contract requirements, and implementation of corrective action against deviations is managed and reported to the Joint Implementation Committee
- k) Appropriate risk management and quality assurance processes are established.
- l) Regular site inspections, site meetings and reporting to, DBE and PSU and Programme Steering Committee are performed
- m) Completion of the list of all matters requiring escalation and attention for the Programme Steering Committee is done regularly
- n) Handling of the retention period for all projects is done.
- o) Assurance is provided that relevant maintenance contracts are in place.
- p) Preparation of final accounts and final report are completed and submitted.
- q) Completion of assessment forms and submission to National Treasury and DBE with each quarterly report are undertaken.

4.3 DBSA Internal Programme Management Unit (DBSA PMU)

For the effective implementation and management of the Programme, an internal DBSA Programme Management Unit has been established as outlined in Figure 2 below.

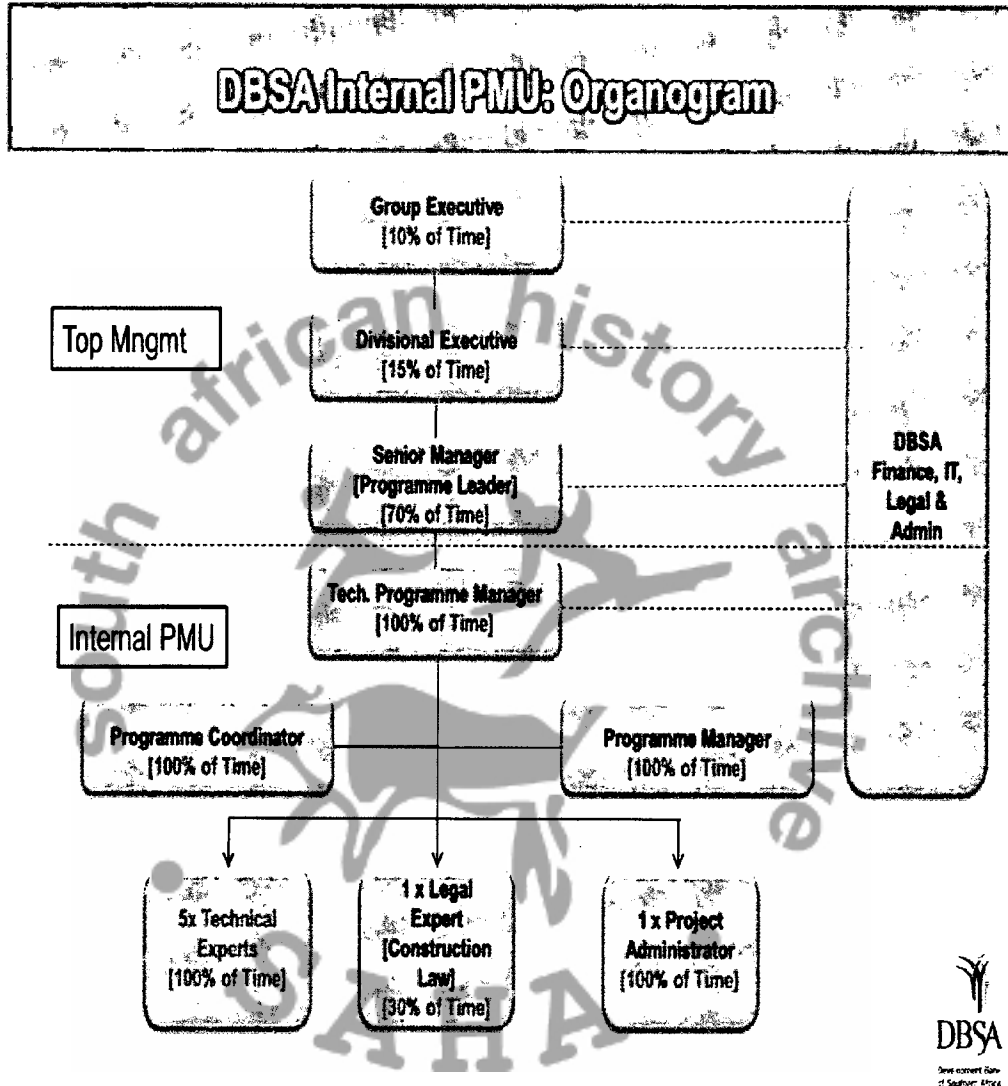


Figure 2: DBSA Internal Programme Management Unit

The purpose of the DBSA's internal PMU is to provide sufficient and timely technical and other support to enable the DBSA to fulfil its designated roles and responsibilities as the Programme Implementing Agent. The functions of the DBSA internal PMU are to:

- a) Compile an Infrastructure Programme Implementation Plan for internal approval by the DBSA Senior Management and for submission to the Client Organisation (i.e. DBE) for departmental approval;

- b) Assume responsibilities for appointment and management of programme managers;
- c) Assess all potential projects;
- d) Prioritise the projects;
- e) Appoint all professional service providers and contractors;
- f) Ensure all appropriate insurances are in place to cover all potential risks;
- g) Ensure that all professional service providers are covered by adequate professional indemnity insurances during the contract;
- h) Receive and analyse assessment reports;
- i) Receive and analyse cost reports and monitoring tools;
- j) Set up adequate monitoring tools and suitably qualified personnel;
- k) Monitor performance of contractors and service providers;
- l) Prepare and submit monthly reports to the DBE in the prescribed format;
- m) Coordinate, chair and minute programme coordination meetings and monitor progress;
- n) Ensure timely payment of professional service providers and contractors;
- o) Ensure compliance with Treasury requirements

The DBSA Senior Manager / Programme Leader that oversees the DBSA Internal PMU is required to:

- p) Carry overall responsibility for implementation of the Programme;
- q) Facilitate Planning of the Programme;
- r) Manage procurement of the professional teams;
- s) Manage procurement of contractors;
- t) Manage programme management costs;
- u) Review and report on capital cash flow requirements;
- v) Manage Programme implementation specifically in terms of scope, time, quality, cost and stakeholder satisfaction;
- w) Check and approve payment certificates;
- x) Chair coordination meetings;
- y) Review reports as submitted by project managers;
- z) Manage progress through cash-flows;
- aa) Ensure targets are met;
- bb) Prepare and present adequate and accurate reports to the client;
- cc) Ensure programme close-out; and
- dd) Manage the activities of the Project Managers.

4.4 Details of Resources of DBSA PMU

The details of the skills (resources) of the DBSA PMU which resulted from the Human Resources Plan of paragraph 9.4 below are outlined in Table 4. For oversight purposes, the DBSA has deployed the technical experts with clear roles and responsibilities closer to the school sites at its satellite office in Mthatha in the Eastern Cape Province as per Annexure 9A. The 49 schools have been divided into three groups G1, G2, and G3 for oversight purposes by the DBSA Technical Experts as per Annexure 9B.

Table 4: Details of DBSA Resources

DBSA RESOURCE [NAME]	HIGHEST QUALIFICATION	RELEVANT EXPERIENCE	ROLE(S) IN ASIDI	HOURLY RATE
1 Mr. Chuene Ramphele [Head Office Based]	MBL	+12 years' experience in programme leadership and management in public and private sector	ASIDI Programme Leader	R1,200 /hr
2 Mr. Eduzile Ifezulike [Head Office Based]	M.Sc (Civil Engineering), Pr. Eng., MSAICE	+20 years' experience in design, project and programme management in the built environment	Technical Programme Manager	R960/hr
3 Mr. Lucky Simelane [Head Office Based]	B-Tech (Civil Engineering)	+18 years' experience in design, project management in the built environment	Programme Coordinator	R960/hr
4 Mr. Kulani Mayayise [Head Office Based]	B-Tech (Civil Engineering) B.Sc (MoT), Pr.Tech Eng, Pr. CPM, MSAICE	+13 years' experience in planning, design, implementation and development facilitation of various infrastructure programmes.	Technical Expert [Civil Engineer /Development Facilitation]	R960/hr
5 Ms. Helen Moatshe [Head Office Based]	B-Tech, MDP (Proj Management), MBL	10 years' project management 5 year process design and management Management Development	Programme Manager [MIS, Comms, Inter-Divisional liaison]	R960/hr
6 Mr. Aubrey Katsana	Post Grad. Project Management	+16 years' of Construction Management and Project Management in the built environment	Technical Expert [Project Manager: Construction oversight of school group G3]	R960/hr
7 Mr. Nico Veldtman	B. Architecture, Pr.Arch; MIA	+48 years' experience in programme & project design, management & implementation	Technical Expert [Architect: - Design and construction oversight of group G2 schools]	R960/hr
8 Mr. Philip Huebsch	B.Sc (QS), Pr. QS, MRICS,	+36 years' experience in construction and related projects.	Technical Expert [Quantity Surveyor: - Cost Management]	R960/hr
9 Mr. Jongikhaya Mzomba	B-Tech (Civil Engineering)	+19 years' experience in design, project	Technical Expert [Civil Engineer:	R960/hr

		management,	Construction oversight of group G1 schools]	
10 Ms. Zukiswa Gege	Diploma : Social Security & Labour law (University of Johannesburg)	7 years' experience - office/project/programme administrator in Private and Public sector 4 years' experience in Community Social Facilitation on School building and Social Services programmes.	Project Administrator	R300/hr

For the detailed planning, tender processes and construction oversight, the DBSA has appointed a Professional Services Provider (PSP) to provide additional resources required to supplement the above DBSA Resources. Details of the PSP resources are dealt with in section 9.4 below and are further elaborated in Annexure 9C.

5.0 PROGRAMME BUDGET ALLOCATIONS AND COSTINGS

5.1 Budget Allocations

Funding for the ASIDI Programme to the value of R8.2bn over the 2011/2014 MTEF has been made available by National Treasury. The funding is in the form of a Schedule 7 Conditional Grant which is a grant in kind to the provinces. The indicative MTEF allocations are summarized in Table 5 below

Table 5: Conditional Grant for Education Infrastructure

Year	MTEF Allocations
2011/2012	R700m
2012/2013	R2,315m
2013/2014	R5,189m
Total	R8,204m

Source: ASDI Programme Summary: DBE June 2011

5.2 Cash Flow Requirements for 2011 / 2012 Financial Year

Of the above budget allocations, the updated projected cash flow requirements for the ASIDI Programme elements that are under implementation by the DBSA are summarized in Table 6(a) below. A cash-flow table is attached as Annexure #4.

As per table 6(a), no provisional amount has been allowed for in the 2011/2012 financial year for the Project Planning and Preparation required for the 2012-2014 period.

Table 6 (a): Updated Projected Cash flow for 2011/2012 Financial Year

PROGRAMME ELEMENT	2011/2012 FINANCIAL YEAR PERIOD [QUARTER(S)]			TOTAL
	End Sept 2011 [Qtr 2]	End Dec 2011 [Qtr 3]	End March 2012 [Qtr 4]	
PSU Costs	R 0	R 2,769,481	R 8,308,443	R 11,077,924
Project Planning and Preparation [2012 - 2014]	R 0	R 0	R 0	R 0
Schools Building Programme: (Building Works)	R 0	R 0	R 143,458,790	R 143,458,790
Schools Building Programme: (Professional Fees)	R 0	R 20,549,227	R 20,802,000	R 41,351,227
School Building programme (Disbursements)	R 0	R 3,185,123	R 1,539,508	R 4,725,123
Sub-total	R 0	R 26,503,831	R 174,108,741	R 200,613,064
DBSA Management fees [at 5% of expenditure] – i.e. DBSA Indirect Costs per MOA	R 0	R 1,325,193	R 8,705,437	R 10,030,653
DBSA Associated Direct Costs	R 600,000	R 750,000	R 750,000	R 2,100,000
Grand Total	R 600,000	R 28,579,023	R 183,564,178	R 212,743,717

5.3 Cash Flow Requirements for 2012 / 2013 Financial Year

The estimated summarized cash flow projections up to the end of the 2012/2013 financial year are shown in Table 6(b) below.

Table 6(b): Projected Cash flow for 2012/2013 Financial Year

PROGRAMME ELEMENT	2012/2013 FINANCIAL YEAR PERIOD [QUARTER(S)]				TOTAL
	End June 2012 [Qtr 1]	End Sept 2012 [Qtr 2]	End Dec 2012 [Qtr 3]	End March 2013 [Qtr 4]	
PSU Costs	R 8,929,128	R 8,929,128	R 8,929,128	R 8,929,128	R 35,716,512
Project Planning and Preparation [2012 - 2014]	R 0	R 0	R 0	R 0	R 0
Schools Building Programme: (Building Works only)	R 408,698,807	R 136,345,407	R 0	R 0	R 545,044,214
Schools Building Programme (PSP Fees and Disbursement)	R 10,253,198	R 15,044,148	R 0	R 0	R 25,297,346
Sub-total	R 427,881,133	R 160,318,683	R 8,929,128	R 8,929,128	R 606,058,072
DBSA Management fees [at 5% of expenditure] – i.e. DBSA Indirect costs per MOA	R 21,394,057	R 8,015,934	R 446,456	R 446,456	R 30,302,904
DBSA Associated Direct Costs	R600,000	R750,000	R400,000	R400,000	R2,150,000
Grand Total	R 449,875,190	R 169,084,617	R 9,775,584	R 9,775,584	R 638,510,976

5.4 Scope Change Control

Clause 6.5 of the MOA and clause 3.2.2 of Annexure B of the MOA indicates that the National Steering Committee (NSC) through its Variation Order sub-committee is responsible for approving major scope changes in the programme. The major scope changes are changes that will result in costs falling outside of the approved budget amounts allowed for in the programme. The DBSA as

the Programme Implementing Agent is responsible for managing scope changes in each contract as per clause 3.6.9.2 of Annexure B of the MOA.

In line with the cost containment philosophy of the DBSA, it is not envisaged that there will be major scope changes on the programme. It is anticipated that the school building programme will be completed within the approved budget which includes a 5% contingency allowance. All variation orders will be strictly assessed, reported and dealt with in line with the conditions of the JBCC building contract. All claims arising from contractors will be stringently assessed for legitimacy, accuracy and fairness. Where major scope changes are involved, they will be referred to the NSC's Variation Order sub-committee. Minor scope changes will be dealt with in line with the conditions of contract and will be reported and monitored accordingly.

6.0 PROGRAMME SCHEDULE, TIMELINES AND MILESTONES

6.1 Programme Milestones

The Programme milestones are presented in Table 7 while a consolidated Programme Plan is attached herewith as Annexure #5. The summary programme schedule is shown in Table 8

Table 7: Programme Milestones Dates

ASIDI PROGRAMME - REVISED HIGH LEVEL ACTIVITIES IMPLEMENTATION TIMEFRAMES					
Sub-Programme	Project	Projected Milestones Dates			
		RFP/RFQ Issued	Preferred Bidder(s) Announcement /Pre-Qualified Shortlist	Project Start Date (on Site)	Project Completion Date
Establishment of a Programme Support Unit (PSU)	Procurement of Resources for PSU Establishment	27 July 2011	19 August 2011	31 August 2011	15 Sept. 2011
Schools Building Programme [2011/12]	Scoping Report (feasibility) on 49 sites	28 July 2011	19 August 2011	03 Oct 2011	29 Feb. 2012
Schools Building Programme [2011/12]	Building of 49 new schools per MOA list	15 Sept 2011 [Open Tender]	23 December 2011	20 January 2012	15 December 2012
Planning & Preparation [2012/2013 -2013/2014]	Procurement of Resources for Planning and Project Preparation	Pending DBE allocation	Not Applicable	N/A	N/A

Table 8: Summary Programme Schedule

Task	PERIOD IN FINANCIAL YEAR [QUARTER]						
	End Sept 2011 [Qtr 2]	End Dec 2011 [Qtr 3]	End March 2012 [Qtr 4]	End June 2012 [Qtr 1]	End Sept 2012 [Qtr 2]	End Dec. 2012 [Qtr 3]	End March 2013 [Qtr 4]
Establishment of the PSU	■						
Evaluate Proposals	■						
Appoint Preferred Bidder(s)	■						
Establish the PSU	■						
Schools Building Programme	■	■	■	■	■	■	
Scoping, Feasibility & Design	■	■	■	■	■	■	
Tender /Contracting Proc		■	■	■	■	■	
Building of 50 Schools		■	■	■	■	■	
Planning for 2012-2014				■	■	■	
Evaluate Proposals				■	■	■	
Appoint Preferred Bidders				■	■	■	
Planning and Project Preparation					■	■	

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7.0 MONITORING AND REPORTING

7.1 Frequency of Reporting

The monitoring and reporting frequency within the DBSA on the Programme is outlined in Table 9 below.

Table 9: Monitoring and Reporting frequency

Project	Monitoring and reporting Frequency
Establishment of PSU	Weekly
Scoping report on building of 50 schools	Weekly
Contractor pre-qualification	Weekly
Building of 49 schools	Monthly
Planning for 2012/2013 and 2013/2014	Bi-Weekly

7.2 Reporting on Building of 49 Schools

Once building contractors are appointed and the sites handed over, the anticipated monthly reporting within the DBSA is as outlined in Figure 3 below.

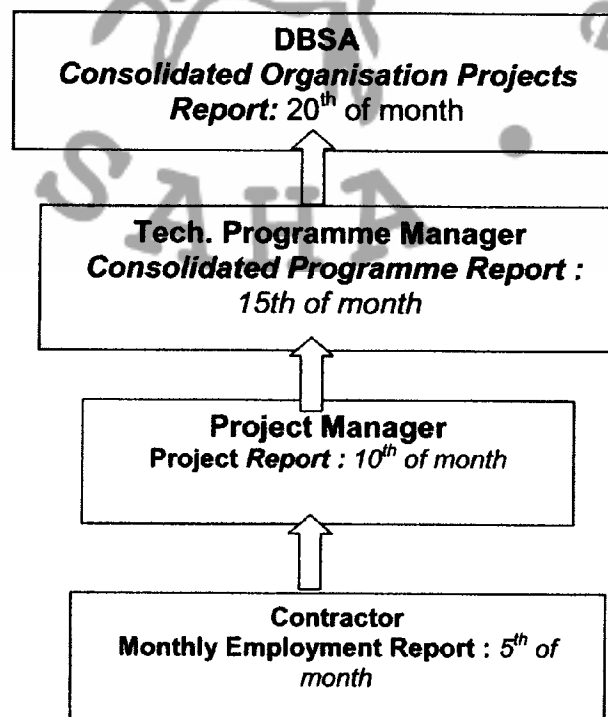


Figure 3: Reporting on Building of 49 Schools

7.3 Reporting Flow and Hierarchy

A standard reporting flow and hierarchy as per CIDB/IDIP guidelines will be utilized as follows illustrated in Figure 4 below.

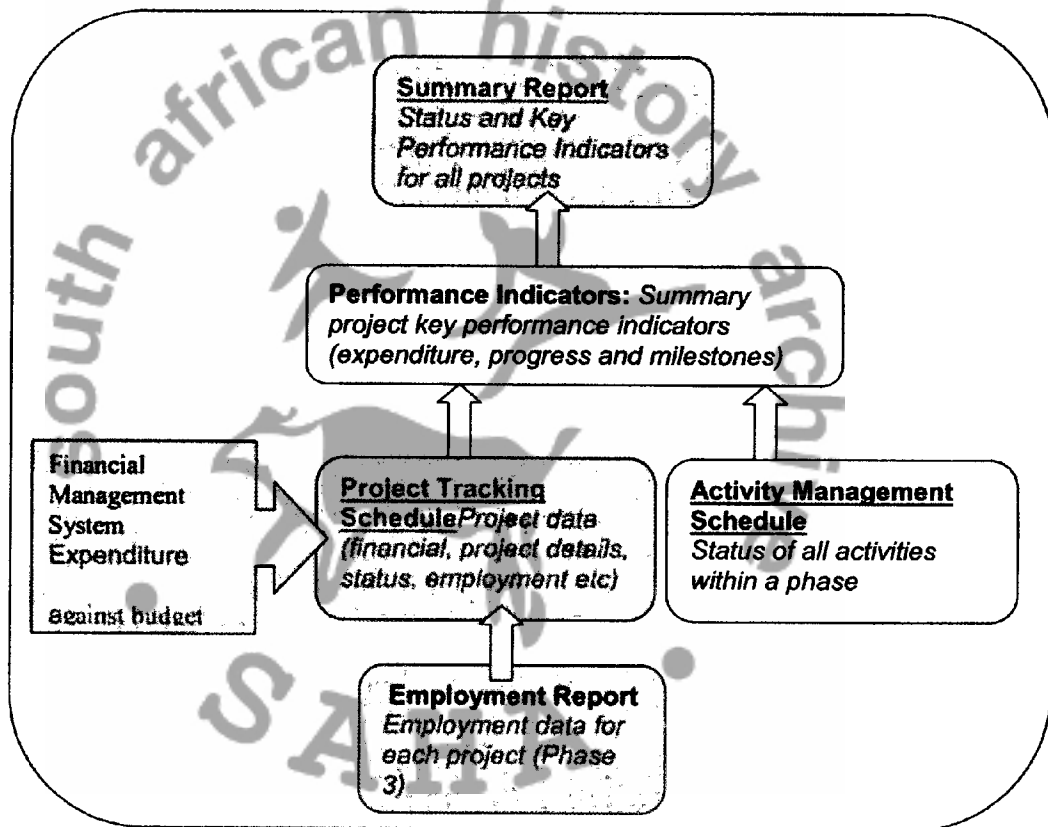


Figure 4: Reporting flow and hierarchy

8.0 PROGRAMME PERFORMANCE EVALUATION

8.1 Programme Performance Indicators

Key performance indicators will be reported throughout the implementation of the Programme in order to monitor and evaluate the Programme as to whether it is achieving its

objectives. A sample of the key Programme Performance Indicators are outlined in Table 10 below.

Table 10: Sample Key Performance Indicators

Type of Performance Indicator	Example of Indicators	Estimated (Figures) for 49 Schools
1. Project Implementation Indicators	1.1 Total No. of Projects	49
	1.2 No. of Project Manager teams appointed	3
	1.3 No. of projects planned (design & tender documents complete)	49
	1.4 No. of projects tendered	49
	1.5 No. of contracts awarded	16
	1.6 No. of projects complete	49
	1.7 No. of projects handed over	49
	1.8 No. of projects with close out report issued	49
2. Social Impact indicators	2.1 No. of local people employed	750
	2.2 No. of local youth employed	350
	2.3 No. of Person days of employment	
	2.4 No. of women employed	50
	2.5 No. of disabled people employed	5
	2.6 Total payments to local communities	R12 mill
	2.7 Total payments to local materials suppliers	R240 mill
	2.8 Total No. of PDI Contractors	8
3. Capacity Building	3.1 No. of community workers provided with construction skills training	100
	3.2 No. of people provided with HIV/AIDS awareness training	350

Type of Performance Indicator	Example of Indicators	Estimated (Figures) for 49 Schools
	3.3 No. of students with experiential training	5

8.2 Responsibility for Progress and Performance Monitoring

The DBSA Technical Experts will have overall responsibility for quality assurance, scope, time and cost management. They will be required to visit school sites and attend site meetings at least monthly or more frequently where circumstances demand. The meetings will have two components in terms of matters handled. One component will attend to technical matters and will be attended by the Programme Manager, the PIA's Principal Agent, and Programme Leader where necessary and the Contractor. The Principal Agent will carry out an evaluation of work done and prepare a payment certificate. The second component will address social issues and will be attended by the Programme Manager and the Project Steering Committee.

8.3 Programme Performance Evaluations

Evaluation comprises the process of reviewing what has been done, and identifying weaknesses on the basis of which improvements can be made both to the way the Programme is implemented as well as individual projects. Evaluation provides a "feedback" loop to enable continuous improvements. The DBSA already has an in-house operations evaluation unit and will allow for internal and external evaluations as provided for the MOA.

- Internal evaluations will be conducted on a 6-monthly basis
- External evaluations will be conducted on a yearly basis

9.0 MANAGEMENT PLANS

9.1 Risk Management Plan

The Risk Management Plan is contained in Annexure #6 of this document. It identifies analyses likelihood and consequences, ranks, proposes mitigation measures, and assigns responsibilities in order to address the risks arising from the following risk categories:

- ee) Institutional
- ff) Procurement
- gg) Financial Management
- hh) Human Resources
- ii) Programme Systems

- jj) Environmental
- kk) Beneficiary management
- ll) Political environment
- mm) Programme Closure

Responsibility: It will be the responsibility of the DBSA Programme Leader to review and undertake risk management on the programme in terms of the Risk Management Plan and to ensure that the risks are minimised and adequately managed.

Typical risk and risk mitigation plans for various risk categories are outlined in Tables 11(a), 11(b), 11(c) and 11(d) below

Table 11(a): Institutional Risks Mitigation

Institutional Risks	
Risk	Risk Mitigation
a) Delay in Transfer of funds by DBE	1. Build adequate lead time into contract negotiations 2. Compile cash flow and transfer schedule 3. Maintain strong relationship with DBE 4. Upfront Community facilitation built into Programme 5. Implement Communication Plan and ensure adherence to it
b) Delays in Decision Making by DBE	
c) Inadequate Community and Development Facilitation	
d) Non Streamlined Communication	

Table 11(b): Procurement Risk Mitigation

Procurement Risks	
Risk	Risk Mitigation

Procurement Risks	
Risk	Risk Mitigation
a) Delays with DBSA Procurement processes b) Lack of affirmative procurement system for project procurement c) Lack of Quality Management	1. Develop concise project procurement system if none exists 2. Implement affirmative procurement policy in line with DBSA procurement policy 3. Ensure DBSA Procurement system is responsive to needs of Programme 4. Implement Quality Management Plan

Table 11(c): Project Environment Risk Mitigation

Project Environment Risks	
Risk	Risk Mitigation
a) Contravention of Municipal By- laws e.g. on waste disposal, building control, etc	1. Identify and study Municipal by-laws 2. Develop plans for compliance to all Municipal by-laws 3. Ensure DBSA Project Managers monitor the performance of contractors

Table 11(d): Fraud Risk Mitigation

Fraud Risks	
Risk	Risk Mitigation

a) Fraud as a result of manipulation of project system	<ol style="list-style-type: none"> 1. Develop and implement fraud prevention plan for the Programme 2. Audits and random spot checks on site 3. Project audits every two months
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9.2 Quality Management Plan

The Quality Management Plan is contained in Annexure #7 of this document. Quality issues are addressed on the following components:

- nn) Programme components;
- oo) Project construction quality control.

Responsibility: The DBSA Technical Experts are responsible for managing the quality plan at a project level and the DBSA Programme Leader is responsible for management of the programme components. Management of quality is to be reported monthly by the Technical Experts to the DBSA Programme Leader who in turn is expected to report to the DBE via the ASIDI PSC.

9.3 Communications Plan

9.3.1 Communications Objectives

The Communications Plan has been compiled, together with budgeted cost, with the following objectives:

- pp) To provide effective communication among the various key stakeholders on the Programme.
- qq) To provide a structured mechanism to convey to the recipient communities all appropriate information necessary to ensure that they are kept informed of progress and involved in the development process.
- rr) To provide the necessary communication channels at the district/regional level to ensure the effective implementation of the Programme.
- ss) To provide a mechanism to ensure that the PIA's client is kept informed on the Programme progress at all times.
- tt) To provide for the DBSA's internal communications mechanism.

9.3.2 Communications Plan Structure

The Communications Plan is structured as follows:

- uu) Communication element/major events - what are the communication projects/activities and major events planned for the year and key dates for specific communications.
- vv) Target audiences - who are the target audiences whom we are communicating with.
- ww) Message - what message needs to be communicated to each target audience.
- xx) Medium - what medium/s should be used to communicate the message e.g. news print, advertorials, road shows, etc.
- yy) Frequency - how often should communication be made with the target audience e.g. monthly, quarterly ad hoc, etc.
- zz) Action Plan - what actions are required to achieve the communications with each target audience.
- aaa) Responsibility - who is responsible for the communications with the various target groups.
- bbb) Risk Assessment - what are the risks involved, how the risks can be minimised and what are the Key Success Factors.
- ccc) Communication cost - what is the cost of the communications with each target audience and for the major events.

The Costs for the implementing of the Communications Plan have been incorporated into the Financial Plan – they are part of the Programme Management fees.

The detailed Communications Plan for the Programme is detailed in Annexure #8.

Responsibility: The Programme Leader is responsible for the management of the Communications Plan, with input from the DBSA Technical Experts and from the DBSA Group Marketing and Communications Manager.

9.4 Human Resources Plan

The resource requirements to manage the Programme are detailed in Table 12 below of which details were provided in Table 4 above.

Table 12: Human Resource requirements

Position /Resource	Total Required	Date Required	Utilization Rate
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Position /Resource	Total Required	Date Required	Utilization Rate
Senior Manager /Programme Leader	1	Immediately	70%
Technical Programme Managers	1	Immediately	100%
Programme Coordinator	1	Immediately	100%
Technical Experts	4	2x Immediately 2x By January 2012	100%
Project Managers	3	3x By April 2012	100%
Project Engineers	3	3x By April 2012	100%
Construction Law Expert	1	Immediately	30%
Project Administrators	3	Immediately	100%
IT /Programme MIS Support	1	Immediately	100%

As indicated in paragraph 4.4 above, the DBSA has appointed a Professional Services Provider (PSP) to provide additional resources required to supplement the above DBSA Resources in relation to the detailed planning, tender processes, and construction oversight of the 49 schools. Details of the PSP resources are contained in **Annexure #9C**. The organogram of the appointed PSP is outlined in Figure 5 below.

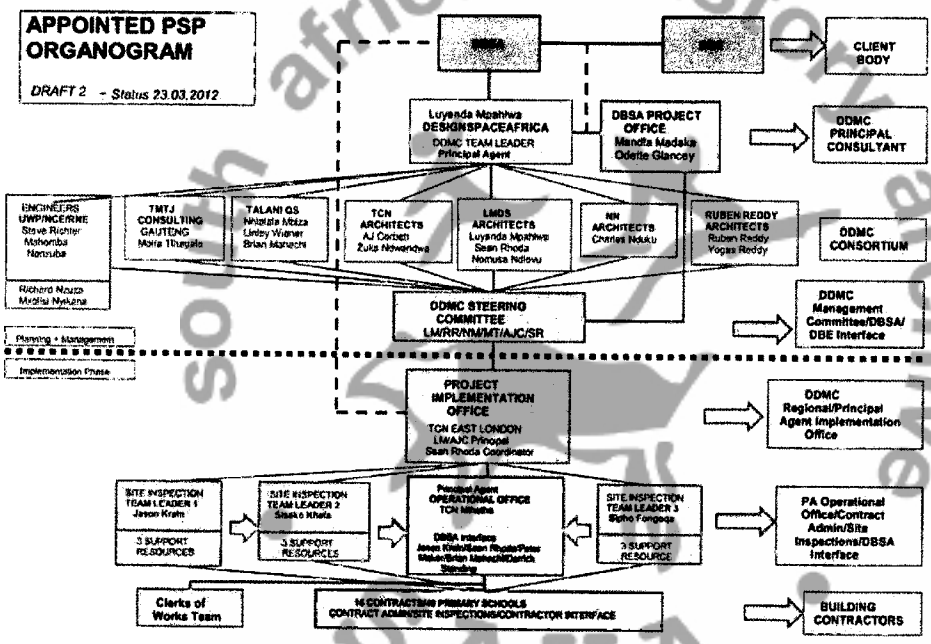


Figure 5: Organogram of Appointed PSP (DDMC)

9.5 Financial Plan

9.5.1 Financial Summary

The indicative summary programme associated costs for 2011/2012 and for 2012/2013 is set down in Table 13 below, with the detailed Financial Plan to be discussed and agreed with the DBE

Table 13: Summary of Programme Associated Costs 2011/2012 and 2012/2013

PROGRAMME ELEMENT / COST DESCRIPTION	PROJECTED TOTAL AMOUNT REQUIRED IN 2011/2012	PROJECTED TOTAL AMOUNT REQUIRED IN 2012/2013	TOTAL AMOUNT REQUIRED FOR 49 SCHOOLS UP TO END 2012/2013
PSU Costs	R3,023,169.31	R43,771,266.69	R46,794,436
Costs for Planning and Project Preparation (2012-2014)	R0	R0	R0
Costs for Schools Building Programme [Building Works only]	R16,388,491.97	R672,114,512.03	R688,503,004
Costs for Schools Building Programme [Professional Fees and Disbursements]	R23,733,441.02	R41,945,918	R65,679,360
DBSA Management Fee – i.e. DBSA indirect costs per MOA	R0	R33,720,336	R40,333,557
DBSA Associated Direct Costs	R0	R4,250,000	R4,250,000
Total Programme Costs	R43,145,102	R795,802,032.72	R838,947,134.72

9.5.2 Revised Schedule of Consolidated Tranche Transfers to DBSA

Based on the above summary of the programme's associated costs, and the programme cash flow projections of Annexure #4, the revised schedule of tranche transfers to the DBSA is outlined in Table 14 below.

Table 14: Updated Consolidated Tranche Transfer Schedule

PLANNED CONSOLIDATED TRANCHE TRANSFERS TO DBSA [2011/2012 AND 2012/2013 Financial Years]							TOTAL (R' millions)
2011/2012 FINANCIAL YEAR (R' millions)			2012/2013 FINANCIAL YEAR (R' millions)				
Qtr. 2 [July-Sept 2011]	Qtr. 3 [Oct-Dec. 2011]	Qtr. 4 [Jan-Mar. 2012]	Qtr. 1 [April-June 2012]	Qtr. 2 [July-Sept. 2012]	Qtr. 3 [Oct-Dec. 2012]	Qtr. 4 [Jan-Mar. 2013]	
R0,00	R17,875	R191,000	R0,00	R195,610	R0,00	R0,00	R404,485
R0,00	R0,00	R0,00	R0,00	R300,000	R134,462	R0,00	R434,462
R208,875 mill			R630,072 mill				R838,947

9.5.3 Reconciliation of Tranche Transfers to DBSA and Projected Future Tranches

Since the commencement of the schools building programme, the DBE has made three (3 no.) tranche transfers to the DBSA. The reconciliation of the tranches transferred to the DBSA is outlined in Table 15 which also outlines the anticipated future tranche transfers to end March 2013.

Table 15: Reconciliation of tranches transferred to DBSA to date and projected future tranche transfers

Tranche Nr.	Date Received by DBSA	Amount (R, mill)
1	November 2011	R 17 875
2	March 2012	R191.000
3	July 2012	R195.610
Total Amount transferred by DBE to DBSA to date (R, mill)		R404.485
Total Amount Required by Programme To March 2013 (R, mill)		R838,947
Total Tranche Amounts Remaining to be Transferred (R, mill)		R434,462
Projected Future Tranche Transfers to end March 2013		
Tranche Nr	Anticipated Date of Receipt	Amount (R, mill)
4	August 2012 /September 2012	R300.000
5	October/December 2012	R134.462

10.0 IMPLEMENTATION STRATEGY

In view of the tight time frames and the need to accelerate delivery, the DBSA is pursuing the following implementation strategy:

- a) Use of existing systems and databases: The DBSA will use its approved panel of service providers to procure services required for planning purposes on the Programme
- b) Streamlined and flexible internal decision making: Internal decision making has been streamlined and made more flexible. The DBSA Procurement Committee will be having special sittings to receive submissions and give approvals to required procurement decisions.
- c) Cost containment and standardization: The DBSA will make use of existing standard designs (blue prints) and documentation for the design of the schools. These measures are designed to cut and contain costs.
- d) Up-scaling Internal Capacity: The DBSA will only use reliable and proven systems and procurement approaches. The DBSA has a large base of existing resources and is beefing up its programme management capacity in view of the scale and profile of this Programme
- e) Close collaboration with DBE and key stakeholders: This is to ensure continuous buy-in and alignment of the Programme Implementation to the overarching objectives of the Department (DBE) and other stakeholders.

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ANNEXURE #1: COPY OF MOA BETWEEN THE DBE AND THE DBSA

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