

GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF EMPLOYMENT AND LABOUR

NOTICE 558 OF 2021



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

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Request for Proposal Subsidy Scheme for People with Disabilities

The Department of Employment and Labour administers a Subsidy Scheme for People with Disabilities as mandated by the Employment Services Act, Act 4 of 2014. The main purpose of this subsidy scheme is to promote employment for people with disabilities. The Department of Employment and Labour calls on **non-profit organisations** to express their interest to benefit from a **three-year funding cycle** under this Subsidy Scheme, depending on performance and sound financial management.

The following classifications is funded under the Subsidy Scheme for People with Disabilities:

- A pre-determined subsidy amount for a pre-approved number of workers with disabilities manufacturing goods or rendering services in the Workshop;
- A pre-determined subsidy amount for a pre-approved number of administrative staff ensuring proper administration and governance over the the Subsidy Scheme;
- A subsidy for current administrative costs of the Workshop.

Further requirements are as follows:

- The Workshop should be in a position to co-fund the wages of staff to the minimum amount of R200,00 per month per individual, daily operations and capital expenditure from contracts sourced for the workshops from companies;
- Promotion of at least 5% of beneficiaries over the period of the agreement into positions in the organisation, into sheltered employment or into open labour market.
- Governance requirements such as legislative compliance, sound management systems inclusive of business, sustainability and financial planning as well as submission of reports.

Non-profit organisations willing to make a difference in the lives of people with disabilities, must submit the following information:

Name of organisation, contact person, an e-mail address and their telephone numbers to:
caitlyn.reddy@labour.gov.za and oteng.mogapi@labour.gov.za by 16 September 2021.

A compulsory briefing session will be held towards the end of **September 2021**, during which project specifications, the funding model and application forms will be made available.

Enquiries can be send to: liza.weber@labour.gov.za

PROJECT SPECIFICATIONS

PROJECT: SUBSIDY SCHEME FOR PEOPLE WITH DISABILITIES

1. OBJECTIVE:

The Request for Proposal is for:

Subsidy Scheme for People with Disabilities

2. BACKGROUND

2.1 The Branch: Public Employment Services of the Department of Employment and Labour is mandated by the Employment Services Act, No 4 of 2014 to perform the following functions:

- Contributing to employment creation;
- Registration of work-seekers and opportunities on the Employment Services system of South Africa (ESSA) (an electronic job-matching system);
- Job-matching and referral to employment opportunities;
- Employment counselling and enhancing employability of work-seekers;
- Canvassing of opportunities;
- Administration of employment schemes for youth and other vulnerable groups, such as people with disabilities;
- Advice on immigration of labour to ensure the skills imported will not displace South African workers;
- Regulation of private employment agencies;
- Enhancing productivity of companies and providing turnaround strategies to companies in distress;
- Administration of social security benefits, namely unemployment insurance and compensation for injuries on duty.

2.2 The Employment Equity Act, No 47 of 2014 identifies people with disabilities as a designated group for affirmative action with regard to employment due to this group being historically disadvantaged. The Branch: Public Employment Services thus provides the following employment schemes for people with disabilities:

- The administration of Supported Employment Enterprises for people with disabilities who cannot function in the mainstream economy.
- Subsidy Scheme for People with Disabilities to provide work opportunities to people with disabilities.

2.3 This Request for Proposal is thus made available for interested organisations in the disability sector that can benefit from subsidies to provide work opportunities to people with disabilities.

- 2.4 Details and criteria for the Subsidy Scheme will be discussed in detail under the project plan and objectives for the subsidy scheme (Par 3 as a whole).
- 2.5 The types of organisations that can apply and benefit from the subsidy scheme must be workshops registered as Non-Profit Organisations as indicated in par 3.1.
- 2.6 Additional organisation criteria will be the following:
 - The organisation's internal policies and procedures, including its constitution is in line with the principles of the Non-profit Organisation Act, 1997 and the Constitution of RSA.
 - The organisation must be a legal persona and registered with the appropriate authority.
 - The organisation must demonstrate the ability to promote 5% of the total beneficiaries with disabilities receiving subsidies from DEL, during the period of the agreement. This includes promotion within the Workshop, transfer to sheltered employment or employment in the open labour market.
 - The organisation must preferably have an existing and proven experience of at least five years in managing a Workshop for People with Disabilities.
 - Willing to enter into a Service Level Agreement with the Department of Employment and Labour.
 - The organisation must have an administrative capacity to manage compliance reports and to take full account for the administrative activities and to disclose the records in a transparent manner.
 - The organisation must have efficient financial systems and staff to be able to account for the utilisation of the subsidies in line with Service Level Agreement, inter alia by submitting annual financial statements and performance track records.

3. PROJECT PLAN AND OBJECTIVES FOR THE SUBSIDY SCHEME.

3.1 PROJECT DESCRIPTION

The *Subsidy Scheme for People with Disabilities* is an employment support programme, which benefits both organisation and individuals that provide work opportunities for people with disabilities in workshops that manufacture products and/or render services.

The Workshop is expected to contribute to the financial viability of the organisation through sourcing contracts and selling their products. All Workshops that apply for the Subsidy Scheme must be registered as Non-Profit Organisations.

Subsidies will be paid out to the benefitting workshops as per the Funding Model attached. (The Funding model must be followed strictly when applying for the Subsidy Scheme.). Each approved Workshop for People with Disabilities will receive a predetermined amount on a quarterly basis. The amount of the Subsidy

will depend on the available budget allocated to the Department of Employment and Labour.

The amount of the subsidy is reviewed every year with the benefitting organisations, taking into account the Department's allocated budget. Organisations applying should be able to be self-sustainable to ensure financial viability. Only organisations with a positive reflection on their financial statements will be considered. The main purpose of the Subsidy Scheme is to ensure people with disabilities are employed and retained in their work.

The Department of Employment and Labour will not fund Workshops for the same items for which funds have been sourced from other Government Departments. The Department of Employment and Labour will not fund training *per se* or salaries for people with disabilities who are receiving training, which is not linked to concurrent placement, since this falls outside of the mandate of the Department. Workshops should source funding from other sources for this purpose. It is expected from Workshops should be able to train their staff.

Items that will influence consideration will entail the following.

- Placement in opportunities in the Workshop with concurrent *on-the-job-training*.
- Placement in opportunities in the Workshop with concurrent employability enhancement including skills development programmes.
- Placement in different business models, such as small business.

3.2 OBJECTIVES AND EXPECTED OUTCOMES

3.2.1 Overall Objectives

- Provide employment support for people with disabilities that is above the age of 16 years.
- Co-funding of at least R200,00 per beneficiary per month, ensured through contracts with organisations, donors, etc.
- Administrative capacity maintained to ensure sound governance and accountability regarding the Subsidy Scheme.

3.2.2 Specific Outcomes

- To employ People with Disabilities as employees earning wages.
- To employ People with Disabilities to administer the Subsidy Scheme.
- To transition a percentage of the People with Disabilities into sustainable employment through work experience and skills development.
- Source contracts from organisations to provide goods and services.
- Ensure sound management of the Workshop for People with Disabilities.
- Market products and service of the Workshop.
- Ensure sound reporting against the required compliance documents of the Department.

3.3 PROJECT OBLIGATIONS

3.3.1 Obligations of the Workshop

- Strategically manage the Workshop to ensure its relevance and evolvement through innovation in products and business processes.
- Obtain additional sources of income to fund capital goods such as buildings and vehicles.
- Ensure a profit margin for the Workshop through sound financial management and sales.
- Employ workers with disabilities and administrative staff.
- Market goods and services delivered by the Workshop to the public.
- Uphold good customer relations.
- Ensure people with disabilities are empowered through skills development.
- Provide Department of Employment and Labour with the relevant compliance documents to request the funding, such as proof of wages paid and operational costs as per the set criteria in the funding model.
- Inform and update the Department of any changes relating to the appointment of new incumbents, such as leave, resignation or death.
- Provide reasonable accommodation/ accessible for people with disabilities.
- Ensure efficient financial management of subsidies received from DEL.
- Comply with labour legislation.

3.4 PROPOSAL

3.4.1 Methodology

In submitting the proposal, the service provider must include the Workshop proposal and Governance and financial arrangements.

3.4.1.1 Workshop proposal

The service provider must develop a proposal, providing:

(All of the areas below are compulsory - provide evidence)

1. Organisation's profile inclusive of name of organisation and short history of establishment.
2. Demonstrable experience of managing a Workshop for people with disabilities of at least five years.
3. The Board of Management, day-to-day management structures and its staff and their qualifications and experience in the field. (Indicate worker representativeness on governing body).

4. Profile of the current beneficiaries in terms of national demographics of the country, namely gender, race and age.
5. Projected number of people with disabilities that stand to benefit.
6. Projected number of administrative staff that will administrate the Subsidy Scheme and acceptable ratio of administrative staff to people with disabilities. (Administrative staff must preferably be people with disabilities).
7. **Financial proposal**, indicating breakdown of proposed budget *per annum* for wages of workers with disabilities, administrative staff and items for additional expenditure (excluding capital expenditure). (Use Funding model as Guideline and note pre-approved amounts and set list of items that will be funded).
8. **Business plan** is viable, clear goals and outcomes have been set as well as timelines and resources required. (Organisational readiness to offer the service.)
9. **Transformation plan** inclusive of
 - 1) Demographic profile of the Workshop,
 - 2) How administrative reporting to the Department of Employment and Labour will be managed,
 - 3) Marketing plan to advertise products,
 - 4) Plan for obtaining contracts for production,
 - 5) Improvement of business processes and innovation,
 - 6) Customer responsiveness and satisfaction,
 - 7) Adherence to Labour legislation,
 - 8) Training plan for staff
 - 9) Reasonable accommodation in place for workers with disabilities,
 - 10) Accessibility of organisation to workers with disabilities.
10. **Monitoring and evaluation plan** indicating how performance will be measured.
11. **Sustainability plan** for when Departmental funding expires after three years.
12. Organisational readiness to offer the service - thus financial viability (provide financial statements for **three years** and proof of co-funding for salaries, administrative expenditure and availability of office equipment).

3.4.1.2 Governance and financial requirements

(All of the areas below are compulsory-provide evidence or proof, unless otherwise indicated)

- Copy of the NPO Constitution stamped and approved by the Association for Non-Profit Organisations.
- Certified copy of being registered as Non-profit organisation.
- Proof of Annual General Meetings/Board meeting for past two years.

- Sworn affidavit of all income sources, including a list of current income providers, such as Government, private donors and other, together with monthly subsidy and items subsidised.
- Original, valid Tax Clearance Certificate issued by SARS.
The Public Benefit Organisation (PBO) number from the SARS Tax Exempt unit if the organisation is tax exempted.
- Valid, original B-BBEE Status Level Verification Certificate, or certified copy thereof
- Proof of valid banking details with bank stamp.
- Financial assurance declaration.
- Most recent audited financial statement.
- Financial statements for three years.

3.5 INSTITUTIONAL ARRANGEMENTS AND EXPECTATIONS OF SERVICE PROVIDER

Funding allocations will be made for a period of 3 years or as determined by Department of Employment and Labour, and depending on the annual allocation from the Department of Treasury on a *quarterly basis* on submission of monthly supporting financial documents and quarterly reports of satisfactory performance. It will be expected of the organisation to contribute to the wages of the workers with disabilities and the administrative staff, as well as the operational cost, by means of profit made from contracts obtained for service-delivery/sales of goods.

The Department of Employment and Labour will have the right to terminate the agreement or reduce the funding, for example when there is non-performance, or non-compliance or terminate the funding when funds are mismanaged or used in a fraudulent manner, the project has ceased, the beneficiaries' rights are violated as per the prescribed supporting documents.

3.6 TIMEFRAMES

The Department of Employment and Labour would like the organisation to commence with the subsidy scheme upon signature of Service Level Agreements, from 1 April 2022. The scheme should be concluded by end of March 2025, provided targets are reached, reporting requirements are met and financial management is sound.

3.7. COST ANALYSIS

The subsidy allocated is determined by 3 years MTEF allocations made to the Department of Employment and Labour. This amount will annually be reviewed and split amongst the service providers.

3.8 CRITERIA THAT WILL BE CONSIDERED IN EVALUATING THE PROPOSAL:100

3.8.1 Only applications that achieve the minimum average qualifying score of 70/100 will be further considered.

FIRST STAGE: Functionality (Proof must be provided for all the under-mentioned criteria as per application form.)

CRITERIA	POINTS
Workshop proposal	
1. Organisational profile: The Workshop has a stable background, is based on a clearly defined need for work for people with disabilities and for products and services in the community. Products are diversified.	5
2. Track record of success in managing a Workshop for People with Disabilities (at least five years experience)	5
3. Management of the Workshop: Organogram, Board management, worker's representation, day-to-day management committee, proof of AGMs held for two years.	5
4. Project budget is viable, according to guideline, co-funding and infrastructure exists for items not funded by DEL, items have not been allocated to DEL which cannot be paid as per the DEL's mandate, contracts are in place for 2022/2023, and financial balance statements are viable.	10
5. Business plan is viable, clear goals and outcomes have been set as well as timelines and resources required.	10
6. Transformation plan: Careful consideration has been given to each of the following: Management structure and workers with disabilities reflect the demographic profile (2) Administrative systems are in place to adhere to Department of Employment and Labour's reporting requirements (4) Marketing plan (3) Plan for improvement of customer responsiveness and customer satisfaction (3) Adhering to labour legislation (4) Training of staff-provide proof of training plan (5) Reasonable accommodation (3) Accessibility of workers with disabilities and plan to promote access to Workshop (2) Mechanisms in place for quality relationships with workers with disabilities (4)	27

7. Sustainability plan. The following should be included: Plan for obtaining viable contracts for three years (4) Plan for sustaining the Workshop for three months until funds come through (4) Plan for sustainable co-funding over the three years (4) Production plan-how will products be evolved/innovated/diversification/enhanced over years (4) Risks foreseen for Workshop's sustainability and mitigation that will be implemented (4) How will input cost and product cost be balanced to maximize profits (3) Innovation in governance, leadership and administration (3)	26
8. Organisational readiness to render services. (Financial viability, workshop space, equipment and raw material.)	7
9. Monitoring and evaluation: (Description of how success will be measured.)	5
Total	100

SECOND STAGE: Workshops meeting the 70 average score, and with a positive verification report, will be considered for funding, depending on funding availability and taking into consideration highest marks.

4. OTHER CONDITIONS

- 4.1 The DEL upholds the right to not award the funding, or suspend any part of it, as well as to limit the numbers of Workshops appointed.
- 4.2. The successful applicants will be required to sign a Service Level Agreement (SLA.)
- 4.3 Please note that any enquiries after the briefing session will only be addressed by e-mail and will be copied to all other applicants.
- 4.4 Completed application documents must reach the Department of Employment and Labour (box placed at security in 215 Francis Baard Street, Pretoria) 30 days after the date of the briefing session, namely 8 July 2021 application closing at 11:00. Late submissions will be disqualified.
- 4.5 Contact details:

**Ms L Weber, telephone number 012-309 4807,
e-mail: liza.weber@labour.gov.za**

**Ms L Madhlophe, telephone number 012-309 4217,
e-mail: lulu.madhlophe@labour.gov.za**