

New approach to boost employment opportunities in Cape Town

The City of Cape Town on Sunday, 19 March 2017, announced that it is embarking on an innovative approach to boost skills development and employment opportunities for residents through an outcomes-based tender, said to be a first of its kind for the City.



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A key need in our economy is to improve the skills of our people for real jobs. It is thus essential that skills training can be proved to be appropriate for Cape Town's needs.

Usually, the specifications to service providers are very prescriptive in terms of the methods used to deliver the required service. What sets the City's outcomes-based tender apart, is that it focuses on results (outcomes) rather than the associated activities and tasks to deliver the end result.

"One of the challenges we face as a city is the high number of unemployed residents. In addition, we are confronted with an economic growth environment that does not always result in the creation of a significant number of new jobs. For this reason, we cannot afford to proceed with a business-as-usual approach," said the City's Executive Deputy Mayor, Alderman Ian Neilson.

"We have to constantly evolve and innovate to deliver value for our residents. We thus have to extract more value from our service providers to deliver better results. This places us and our service providers under increasing pressure to remain competitive through innovation in the current economic climate. Although a first for the City of Cape Town, outcomes-based contracting is gathering pace locally and globally."

The proposed outcomes-based tender aims to support economic inclusion, achieve a more productive workforce, reduce the number of discouraged work seekers, and engage businesses in integrated employment plans.

The City's intention was clearly articulated at a briefing session held this week for prospective service providers.

"We are looking for a strategic partner who must deliver a workforce development solution that is responsive to the changing labour markets. The successful bidder is expected to present and deliver an outcomes-based, high impact three-year plan to develop residents' skills further and increase the current employment rate. We would like to acknowledge the Bertha Centre for Social Innovation and Entrepreneurship which was instrumental in designing this innovative tender," added Alderman Neilson.

Essentially, this contracting method means that the service provider will only be paid once they have placed residents into education, training, or employment opportunities. The more sustained placements made, the more they stand to earn from the City of Cape Town. In this way, the City will only pay for success.

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