



**GREY DAM FEASIBILITY STUDY
AND
BUSINESS PLAN**

INCEPTION REPORT

JULY 2017

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1. INTRODUCTION

The Makana Local Municipality (MLM) has appointed Ilizwe Town and Regional Planners cc hereinafter referred to as service provider to render services described hereunder. These terms of reference and the proposals of the consultant will form part of the envisaged contract.

2. PROJECT TITLE

FEASIBILITY STUDY AND BUSINESS PLAN – GREY DAM

ENQUIRIES: Mr. Thembinkosi Sindane

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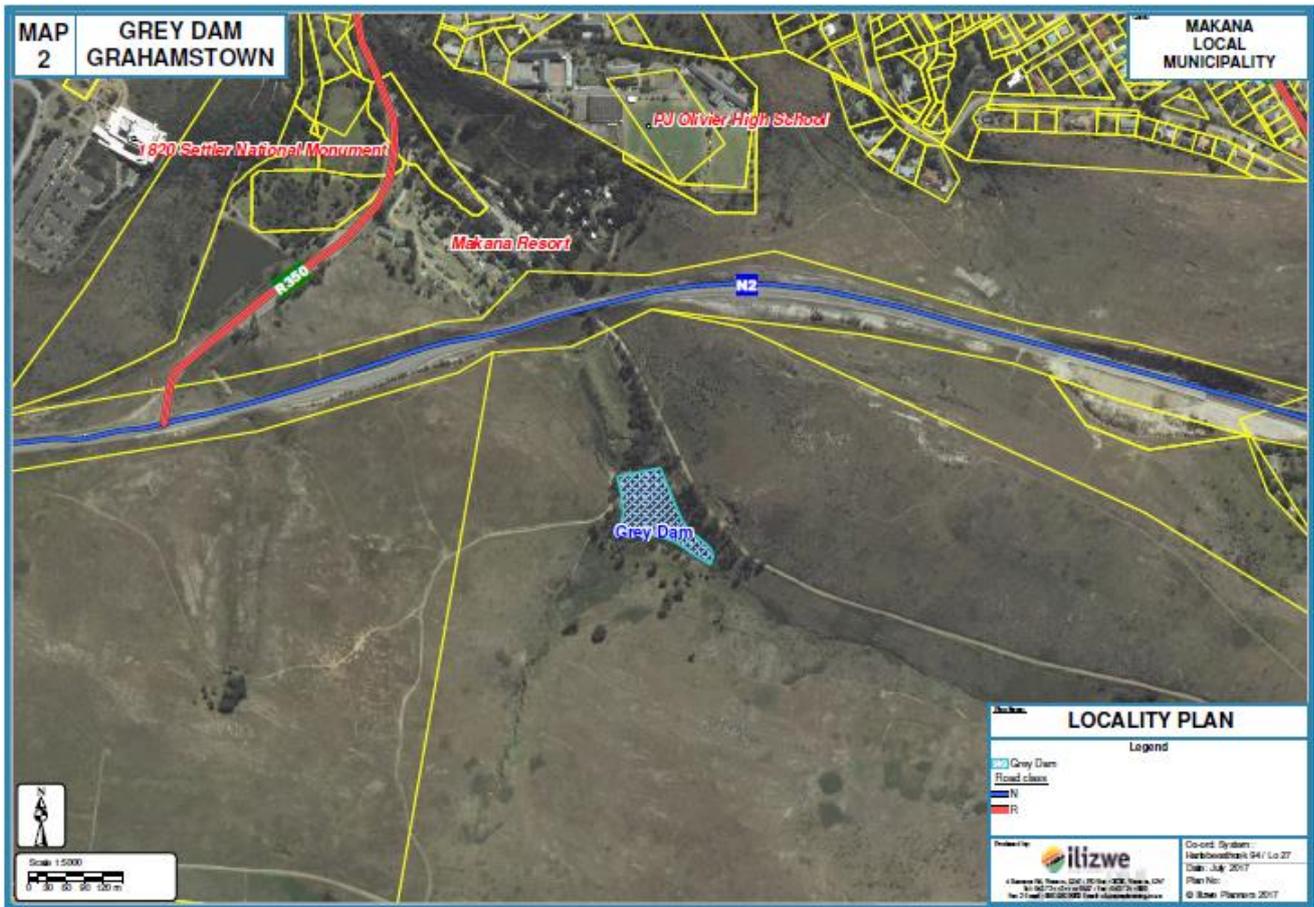
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3. BACKGROUND

Grey dam is located adjacent to Makana Resort – a government funded and Makana Municipality owned accommodation and camping facility. The dam is currently used mainly to host occasional swimming events and as a public leisure facility. The municipality intends to develop the space into a revenue generating, self-sustainable tourist and recreational facility.

It is against that backdrop that Makana Municipality invites experiences and suitably qualified services providers to undertake a feasibility study and to compile a business plan for the purpose of developing Grey Dam into an income generating self-sustainable tourist and recreational facility.

The below map indicates locality of the study area



4. TERMS OF REFERENCE

- Assess the significance of Grey Dam in terms of Makana Spatial Development Framework
- Conduct a comprehensive biophysical analysis
- Assess the viability of the facility as tourism and recreational space linked to Makana Resort, and propose appropriate development option
- Identify anticipated facility utilization options with, and the amount of surrounding land required to achieve this. The anticipated usage should consider market based draws locally and outside the Makana area
- Develop a facility master plan with architectural and operational framework that recommends how Council approach the design, construction and ongoing operation of the facility
- Conduct an assessment of the national, provincial legislative and policy directives including compliance issues relating to the proposed development/s
- Compile a feasibility study report with clearly articulated and implementable recommendations
- Develop a solid, costed business plan and advise on potential funding sources

5. SCOPE OF WORK

5.1. TIMEFRAMES

It is anticipated that the duration of this project will be 4 months. The prescribed times will be met, provided that unforeseen delays in accessing the relevant stakeholders can be ensured

DRAFT WORK PLAN					
	DURATION IN MONTHS				
Action	Month	Jul 2017	Aug 2017	Sep 2017	Oct 2017
PHASE 1: Project Initiation	1				
PHASE 2: Draft Report	2				
PHASE 3: Final Report	1				

5.2. METHOD

5.2.1. Planning Assessment

ILIZWE PLANNERS will undertake the following steps in order to compile the first order assessment of study area: -

- Obtain aerial imagery, contour and cadastral information for the study area and prepare a base plan.
- Undertake a preliminary site assessment (site visit and collection of land use data).
- Completion of accurate land use surveys for the project area to record the de facto use of the properties.
- Accessibility
- Current zoning, ownership of the land and other legal constraints;
- Applicable planning frameworks, legislation, strategies, policies, studies and other relevant documentation;
- Land use Plan: Current and surrounding land uses, activities, existing social facilities and services;
- Conceptual Layout Plan

There are factors that will influence the decision making of how the layout plan will be divided and re-layout for the betterment of the community. Such factors include the following:

- physical conditions of the site
- market forces
- surrounding patterns of development and
- regulatory limitations

5.2.2. Biophysical Analysis

The following methodology is proposed for conducting an environmental sensitivity assessment and environmental legislation screening:

- Desktop study,
- Site evaluation,
- Compile a sensitivity analysis from which a sensitivity map will be produced,
- Anticipating and identifying significant environmental impacts of the development, evaluate the project to identify potentially significant problems that may affect its development,
- Apply above-mentioned information to identify any possible fatal flaws that may prevent the proposed development and identify possible alternatives,
- Identify Environmental Impact Assessment requirements and processes in terms of the National Environmental Management Act, 1998 (Act No.170 of 1988),

6. PLANNED OUTPUTS

PHASE	Description
Phase 1	Project Initiation and finalization of terms of reference
Phase 2	Formulation of Draft report
Phase 3	Adoption of Final Report

7. PROJECT MANAGEMENT AND CO-ORDINATION

The overall management of the project will be the responsibility of:

Client: Makana Local Municipality.

Service Provider: Ilizwe Town and Regional Planners and Professional Team.

Together they will ensure the integration, alignment, co-ordination in a manner that will result in a credible Feasibility Study and Business Plan for Grey Dam.

A technical team comprising of Makana Municipal officials with the assistance of the Ilizwe Town and Regional Planners team will drive the implementation of the various elements of the project.

More specifically Makana Local Municipality and the ILIZWE Team will be responsible for ensuring that:

- All parties work as a team;
- The team should involve all relevant role players in the decision-making process by taking into account the interest, values and needs of all the affected parties (IAPS);
- The team should define clearly the purpose of the Feasibility Study done in terms of scope of work in tender document.
- An assessment is made of the sector resource availability, sensitivity and acceptability of the proposed land uses, service expansions and developments described in the Feasibility Study;
- The alignment of the Feasibility Study and Business Plan with National and Provincial policies and frameworks is confirmed;
- The risks of the proposed land uses are identified along with the service expansions and developments that may have an adverse effect on the municipality's service delivery;
- Sustainable criteria and indicators are identified for use in the future strategic planning of the municipality.
- An assessment of the long-term sustainability of the proposed land uses, services expansion and developments is completed during the project;
- The service provider makes reference to the preparation of the Feasibility Study and Business Plan;
- Traditional knowledge and information is recognized and used where any other verifiable information is not available;
- The service provider consults regularly with the Project Manager and MLM technical team from commissioning until decommissioning of the project, and
- The service provider collates all the available desktop information into a coherent whole.

7.1. TECHNICAL TEAM

The MLM Project Manager will monitor progress and report to the MLM Technical Team. Output and payment milestones will be set with the consultants.

The Project Manager will scrutinize the ToR and each claim will be accompanied by a progress report. The Project Manager is accountable and will in turn report to the MLM technical team on progress made.

The MLM Technical Team plays an important role in creating the inter-governmental structure that can house negotiations and support monitoring of the programme as a whole.

The specific objectives of the MLM technical team are:

- To review the development of the Feasibility Study and Business Plan as per the Phases
- To support the planning and assessment of the programme by providing advice and recommendations
- To identify and support capacity building programmes and efforts within the Municipality
- To facilitate the removal of blockages to the implementation programme
- Risk management
- Oversight
- Phase approval and payments

In terms of decision making, consensus needs to be reached by the Makana Municipality technical team members.

Decision making and communication may be undertaken via electronic correspondence (email).

The point of entry is through the Makana Local Municipality Project Manager who will distribute and receive all correspondence by the Makana Local Municipality technical team to the respective members.

7.2. PROJECT MANAGEMENT TEAM

The Project Management Team consists of:

- Mr. Thembinkosi Sindane - MLM – Project Manager
- Mr Sakumzi Mgugudo - Ilizwe Town and Regional Planners – Technical Team Leader

These members are involved with technical issues related to the project programme, public participation programme, report formulation and output of key documents. The team will report to the Makana Local Municipality Technical Team who will oversee that the project activities are undertaken and completed as required.

The Project Management Team task roles are those roles that members assume that move the team forward in accomplishing its tasks and mission. These roles are of vital importance in good team functioning.

The Project Management Team will meet regularly when needed, as per the project programme.

7.3. PARTICIPATING STRUCTURES

The service provider will work in close co-operation and under the supervision of the Makana Local Municipality appointed team and will render regular progress reports to this unit at agreed upon times or when requested to do so.

Critical to the success of the Grey Dam Feasibility Study and Business Plan is the involvement of all stakeholders during the planning procedure. Often plans merely reflect the ideas and initiatives of planners, yet, despite being comprehensive, lack the support of stakeholders, since their involvement is not perceived by planners as being important enough. Ensuring that all stakeholders understand the objective of the planning procedure, and requesting their active participation in ensuring that their needs and expectations are addressed in an appropriate and equitable manner, can establish the support necessary for implementation.

Various techniques including technical task teams consisting of stakeholder representatives can be utilised during the planning process. Important to the success of the procedure is the choice of technique most appropriate to the stakeholder's situation, level of understanding, language and culture.

Merely inviting stakeholders and interested role players to attend meetings without providing an opportunity for active involvement, and effective contribution, does not equate to public participation. However, if afforded an opportunity for effective involvement during the planning process, communities, stakeholders and role players must participate since non-participation cannot be used as an excuse for keeping the planning process to ransom.

The current project programme entails consultation with councilors, stakeholders and the public.

7.4. WORKSHOPS / PRESENTATIONS

By involving all stakeholders in the planning process and stressing the importance of community involvement in land use management, and establishing an understanding of the plan as a regulatory system, the Municipality will be enabled to illustrate its commitment to supporting and enabling communities to determine the levels of acceptable utilisation and allocation of resources which they host.

The goal of the Public/Stakeholder Involvement Plan is to ensure that all stakeholders who could be affected by the Feasibility Study and Business Plan can play an active and informed role in the planning procedure, including setting of objectives, identification of concerns, collection of information, discussing of alternatives and compilation of the Feasibility Study and Business Plan. Having the stakeholders' views – comments; concerns; questions – documented throughout the process ensures informed decision-making and accountability regarding the process.

Utilising press releases in association with public notices is an effective way of ensuring that Interested & Affected Parties (I&APs) and stakeholders are informed regarding broad stakeholder meetings, review periods of draft reports, and workshops as they are scheduled. Additional information pertaining to the availability of draft documents for review, progress regarding the process and comments registers, etc. can also be made available utilising these mechanisms.

Imperative to the Feasibility Study and Business Plan procedure is active stakeholder involvement throughout the process. Administratively this requires the preparation of a stakeholder list which should be based on available lists from all relevant government departments; traditional authorities; Non-governmental Organisations (NGOs); Faith Based Organisations (FBOs); parastatal organizations'; etc.

Stakeholders must be assured that the stakeholder list can be updated at any time and those new organizations', structures, individuals and groupings can be included at any point.

8. PAYMENT MILESTONES

8.1. BUDGET

Claims for stage completion, as per the project programme, will be submitted to the Project Manager for consideration, accompanied by a progress report. Once validated by the Project Manager, the claim will be paid within 30 days of submission.

The overall budget is **R 199 500.00** VAT inclusive.

Phase	Description	%	Amount
Phase 1	Project Initiation and finalization of terms of reference	30	R 59 850.00
Phase 2	Formulation of Draft report	50	R 99 750.00
Phase 3	Adoption of Final Report	20	R 39 900.00

***Note:** A valid tax clearance certificate needs to be attached to each invoice. The invoice needs to show the previous amount paid. Invoice needs to be stamped and signed as original.

8.2. GENERAL

MLM will assist with meeting / workshop venues.

9. INSTITUTIONALISATION AND PLAN IMPLEMENTATION

Institutionalisation

To ensure effective implementation of the Grey Dam Feasibility Study and Business Plan it is essential that PSC establishes a forum based on the recommendations. The consultant team will assist the municipality to establish such a forum as part of the empowerment strategy of this planning process. This approach will clearly illustrate commitment to capacitating and empowering stakeholders through institutionalisation.

Plan Implementation

Once the programme/plan is approved and the forum established it is critical that the implementation of the plan be undertaken based on achievable and manageable objectives and budget.

Optimal implementation will be achievable if the plan/programme is aligned with other plans of national, provincial and local level, and all relevant authorization's attained.

The responsibility for implementation of the Feasibility Study and Business Plan resorts with the Municipality and PSC. Aligning the plan implementation with other government departments will enable commitment by stakeholders towards financial, programme and personnel resources required to make the plan a success.

10. PRINTING AND FINAL DOCUMENTS

All presentations are to be in PowerPoint format.

Draft Reports x1 hard copy + CD x1

Final Reports x1 hard copy + CD x2

A2 Laminated Layout Plan +

Three hard copies and 3 electronic versions (CD's) will be provided to the Project Manager on completion.

CD of all shapefiles + PDF + MS Word