

6. APPLICATION FOR FUNDING: VARIOUS PROJECTS WITHIN THE OVERSTRAND MUNICIPAL AREA

5/6/1/3

S Madikane

(028) 313 8066

Corporate Head Office

05 February 2019

1. Executive Summary

The department of Rural Development and Land Reform approved an allocation of R10 500 000 [Ten Million five hundred thousand only] for various projects within the Overstrand Municipality. As a requirement to funding the department requires financial commitment for co-funding and a Council Resolution to ensure readiness to roll-out the project.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Economic and Social Development and Tourism

3. Compliance with Strategic Priorities

Provision and maintenance of municipal services
 Creation and maintenance of a safe and healthy environment
 Promotion of tourism, economic and social development

4. Delegated Authority

None

5. Legal Requirements

Division of Revenue Act (DORA)

6. Background/Discussion/Evaluation/Conclusion

Background

Following a presentation by the Department of Rural Development and Land Reform [DRDLR] to Council on the projects and potential funding opportunities aligned with the Agri-parks programme implemented by the department, the Director Economic and Social Development and Tourism submitted an application with the support of Council for various projects in the Overstrand. DRDLR approved the construction of ECD facilities as indicated in Annexure A attached with the remainder of the projects to be considered later.

It is also confirmed that the ECD facilities will be handed over to the municipality as assets on completion.

Discussion

The funding allocated as projects for the Department of Rural Development and Land Reform is for the financial year 2019/2020 and the remainder of the projects to be considered in the outer years.

It is expected of the municipality to budget for: Provide designs and planning including tender documents for consideration by the Bid committees.

A council resolution must accompany the submission as soon as possible.

7. Financial Implications

Source of Funding Capital Budget Provisions (to be tabled in Council in February 2019 and May 2019 respectively)

Capital Budget Provision 2018/2019 Adjustment Budget

Project design, Planning and Implementation of ECD Centres: R 500 000

Capital Budget Provision 2019/2020

Project design, Planning and Implementation of ECD Centres: R 793 000

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations**Finance Directorate**

Noted that the ECD Centres (assets) will be handed over to the Municipality on completion.

10. Annexures

Annexure A: Funding approval letter [DRDLR]

Annexure B: Memorandum of Understanding

RECOMMENDATION TO THE COUNCIL:

1. that the approved projects by the Department of Rural Development and Land Reform **be noted** and **supported** for implementation;
2. that the Municipal Manager signs the Memorandum of Understanding as an intent to enter into a funding agreement with the department; and

AGENDA OF THE MAYORAL COMMITTEE MEETING: 27 FEBRUARY 2019

3. that the services of a service provider be procured to provide project management services to fast track implementation within the set timelines.

RESPONSIBLE OFFICIAL :**G SMIT****TARGET DATE FOR IMPLEMENTATION :****IMMEDIATELY**



**rural development
& land reform**

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

PROVINCIAL SHARED SERVICE CENTRE: WESTERN CAPE, 14 LONG STREET, CAPE TOWN, 8000
PRIVATE BAG X9159. CAPE TOWN. 8000 TEL: 021 409 0300 WEB: www.drdir.gov.za

Our Ref: 15/2/1 – WC/RID/3/B/2

Director: Economic Development and Tourism
Overstrand Municipality
P O Box 20
HERMANUS
7200

Attention: Mr S MADIKANE

Dear Sir

**RE: APPLICATION FOR FUNDING: VARIOUS PROJECTS WITHIN THE
OVERSTRAND MUNICIPAL AREA**

Your application for funding for various projects within your municipal jurisdiction dated August 2017 refers.

Please note the following projects have been approved for funding for the 2019/2020 financial year:

1. Gansbaai Early Childhood Development Centre;
2. Pearly Beach Early Childhood Development Centre; and
3. Kleinmond Early Childhood Development Centre.

The remainder of the project proposals submitted will be kept on record for consideration for funding for the financial years 2020/2021 and 2021/2022.

Yours faithfully

MR J FREYSEN
DIRECTOR: RURAL INFRASTRUCTURE DEVELOPMENT

DATE: 24/1/2019



rural development & land reform

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

PROVINCIAL SHARED SERVICE CENTRE: WESTERN CAPE, 14 LONG STREET, CAPE TOWN, 8000
PRIVATE BAG X9159. CAPE TOWN. 8000 TEL: 021 409 0300 WEB: www.drdir.gov.za

Our Ref: 15/2/1 – WC/RID/3/B/4 (-B/6 and &-B/7)

Director: Economic Development and Tourism
Overstrand Municipality
P O Box 20
HERMANUS
7200

Attention: Mr S MADIKANE

Dear Sir

RE: APPLICATION FOR FUNDING: THE CONSTRUCTION OF EARLY CHILDHOOD CENTRES IN POPPEDORP, KLEINMOND, - ELUXOLWENI, PEARLY BEACH AND MASAKHANE, GANSBAAI

Your application of August 2017 and additional information of March 2018 refer.

It is with great pleasure that I hereby inform you that your applications for funding in the total amount of R10 500 000 (R3 500 000.00 per Early Childhood Development Centre), has been approved for the construction of ECD centres in Poppedorp, Eluxolweni and Masakhane subject to the following already agreed conditions.

- a) Your municipality will co-implement these projects in accordance with the attached agreement (to be signed by your Municipal Manager);
- b) Your municipality will provide the funding and resources to ensure that this project is properly designed, planned and implemented. In this regard your Municipality will either do this in-house or appoint, with immediate effect, the Consultant to do the afore-mentioned;
- c) On completion of these projects the assets will be handed over to you to assume responsibility for the maintenance.

Accordingly and in light of the above, you are requested to ensure that the attached Memorandum of Understanding is signed by your Municipal Manager and returned to us with a Council Resolution. You are further requested to furnish the Project manager for this project, Mr M Nodliwa of our Department with the details of the appointed consultant that will be responsible for the design, planning and oversight of this project.

Yours faithfully



MR J FREYSEN

DIRECTOR: RURAL INFRASTRUCTURE DEVELOPMENT

DATE: 24/1/2019

MEMORANDUM OF UNDERSTANDING

THE PROVISION OF INFRASTRUCTURE AND COMMUNITY DEVELOPMENT IN THE OVERSTRAND LOCAL MUNICIPALITY (CRDP SITE), WESTERN CAPE

Between

THE NATIONAL DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

represented by **MR JAJ FREYSEN** in his capacity as **DIRECTOR** of the
Department of Rural Development and Land Reform, he/she being duly
authorised thereto
("the Department")

And

OVERSTRAND LOCAL MUNICIPALITY

and represented by: **MR C. GROENEWALD**.
in his/her capacity as the **Municipal Manager** and as the authorised signatory for
the:
("the Municipality")

Who agree that:

WHEREAS:

- A. The Department's functions include the responsibility and accountability for the State's Comprehensive Rural Development Programme (CRDP), for which purpose Parliament has appropriated funds to the Department which it must use to implement programmes in conjunction with the Local Municipality;
- B. The need for early childhood development centres in various wards of the Overstrand Local Municipality was identified during its IDP community participation process.
- C. This need has also further been identified in the Ward needs received by the Municipality during the 2017/2022 IDP consulting phase/community engagement phase for Ward 1, Masakhane, Ward 10, Kleinmond and Ward 11, Pearly Beach;
- D. There is an urgent need to implement this project which falls within the functions and/or mandate of both the Department and the Local Municipality.
- E. The Municipality will be providing funding and resources to ensure that the project is properly designed, planned and implemented whilst the Department will be responsible for the Capital expenditure and the supply chain processes of the projects.
- F. On completion of these projects, the assets will be handed over to the Overstrand Local Municipality, which will add them to its asset register and assume responsibility for the future maintenance thereof.

Payment of funds

1. The Department shall pay from its budget vote the required capital for the projects as in para 2 hereunder within the financial year(s) as stipulated. The Municipality will pay for the design, planning and oversight of the implementation of the projects mentioned in paragraph 2 hereunder. These amounts (being the project funds, hereinafter referred to as "the funds") or any part of it will be paid strictly for the purposes and in terms of the conditions stated or referred to in this agreement.

Purpose and use of funds

2. The Overstrand Local Municipality must co-implement (to its conclusion and within the time and budgetary limit) the projects which are defined in the following documents and which form part of, this agreement:-

Annexure "A": Construction of ECD Centres in Poppedorp, Kleinmond, Eluxolweni, Pearly Beach and Massakhane, Gansbaai in the Overstrand Local Municipality, Overberg District in the Western Cape

Annexure "B": Council Resolution

3. The projects as defined and any other aspect of this agreement may be varied at any time before the final performance of all obligations under this agreement, but only by operation of law or by way of a written variation agreement, which is signed by or on behalf of both parties. No deviation from the project as defined may be carried out until that deviation has been included in a variation agreement.

Cession

4. Overstrand Local Municipality may not cede or transfer any of its rights and/or obligations under this agreement without the prior written consent of the Department, which the latter may in its sole discretion grant or refuse.

Domicilium

5. The parties choose the following addresses (**not** being postal addresses) as their respective *domicilia citandorum et executorem* at which all notices will validly be given -

5.1 the Department : The Director : Rural Infrastructure Development
14 Long Street,
Cape Town,
8000

5.2 the Overstrand Local Municipality
Magnolia Street
HERMANUS
7200

Interpretation

6. Should there be any real or apparent discrepancy or contradiction between the contents of this document being the contract form itself and the contents of any of the annexures which form part of the entire agreement, the provisions of the former will prevail over those of the latter.

7. **Acceptance**

7.1 The parties by virtue of their signatures below indicate their acceptance of this Agreement. Each party will retain an originally signed version of this Agreement.

Overstrand Local Municipality

I, **COENIE GROENEWALD**, as in my capacity as **MUNICIPAL MANAGER** and duly authorised hereto, hereby **ACCEPT** the conditions as contained in this agreement on behalf of the Overstrand Local Municipality

SIGNATURE

DATE

Witnesses 1:

Witness's Full Name

Witness's Signature

Date

Witnesses 2:

Witness's Full Name

Witness's Signature

Date

For and on behalf of the Overstrand Local Municipality and duly authorised hereto.

B 6/8

Department of Rural Development and Land Reform

I, **JAJ FREYSEN**, in my capacity as the **Director** of the DRDLR, and duly authorised hereto, hereby **ACCEPT** the conditions as contained in this agreement on behalf of the DRDLR

SIGNATURE

DATE

Witnesses 1:

Witness's Full Name

Witness's Signature

Date

Witnesses 2:

Witness's Full Name

Witness's Signature

Date

For and on behalf of the Department of Rural Development and Land Reform and duly authorised hereto.

ANNEXURE "A": PROJECT

TOWN	PROJECT TYPE	PROJECT PURPOSE	APPROXIMATE BUDGET	FINANCIAL YEAR
Kleinmond	Socio-Ecomic	Construction of an Early Childhood Development Centre in Poppedorp, Kleinmond	R3 500 000 inclusive of 15% and contingencies	2019/2020
Pearly Beach	Socio-Ecomic	Construction of an Early Childhood Development Centre in Eluxolweni, Pearly Beach	R3 500 000 inclusive of 15% and contingencies	2019/2020
Gansbaai	Socio-Ecomic	Construction of an Early Childhood Development Centre in Masakhane, Gansbaai	R3 500 000 inclusive of 15% and contingencies	2019/2020
Estimated Grand Total			R10 500 000	

B^{8/8}

ANNEXURE "B": COUNCIL RESOLUTION