

9. APPLICATION FOR GRANT FUNDING FROM THE DEVELOPMENT BANK OF SOUTHERN AFRICA FOR REVIEW OF THE OVERSTRAND WATER AND SEWER MASTER PLANS

5/6/1/12

H Blignaut

16 October 2019

Deputy Director: Engineering Planning

(028) 313 5047

1. Executive Summary

The purpose of this report is to obtain in principle approval from Council for the municipality to submit an application for grant funding for the review of the Overstrand Water and Sewer Master Plans to the Development Bank of Southern Africa (DBSA).

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Infrastructure & Planning
Department: Engineering Planning (Bulk Water Services)

3. Compliance with Strategic Priorities

Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)
Water Services Act 108 of 1997

6. Background/Evaluation/Conclusion

Background

The Directorate Infrastructure and Planning was approached by the Development Bank of Southern Africa's Local Government Support Unit, in partnership with the Western Cape Government's Department of Local Government, about the potential enhancement of the review of the municipality's water and sewer master plans through possible grant funding from the DBSA (refer to Annexure A).

This unit of the DBSA has been involved recently with the compilation of a high level Infrastructure Growth Plan (IGP) for the municipality. The requirement for a detailed review of the municipality's infrastructure master plans flows from the IGP. The intention is to implement some innovative new concepts with the master plan reviews as a pilot study, e.g. displaying the master plan results on Geographical Information Systems (GIS) planning layers, continuous tracking of water demand and sewerage flows to be able to adjust capital expenditure frameworks annually for more realistic projected timing of projects, tracking of completed projects and relocate to GIS layers of existing infrastructure and asset registers, and having a longer planning horizon of 25 to 35 years.

Evaluation

The estimated cost of the review of both the water and sewer master plans of the Overstrand Municipality is R 1 480 000, excluding VAT. The latest review of the master plans was done during 2015/16. The DBSA expressed their willingness to potentially contribute R 908 000 of this amount. The balance can be provided from the municipality's Operational Budget.

Conclusion

The potential grant by the DBSA's Local Government Support Unit for the review of the Overstrand Water and Sewer Master Plans will be to the advantage of the Overstrand Municipality through the cost saving for the municipality (the review of these plans is budgeted for over a two year period), as well as saving on time to complete the master plan reviews, and the implementation of innovative concepts with the master plan reviews as discussed above, which may also be replicable in other municipalities.

7. Financial Implications

Source of Funding: Operating Budget Provision

Unique Key :20180705059787

Cost Account :12210200950000

Item Description :Contracted Services: Consultants and Professional Services: Infrastructure and Planning: Engineering: Civil

Budget Provision 2019/2020 : R 2 104 400

Spent to Date/Committed : R 923 500

Balance Available : R 1 180 900

Funds Required (This report) : R 572 000

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: E-mail correspondence from DBSA

RECOMMENDATION TO THE COUNCIL:

1. that an application for grant funding to the Development Bank of Southern Africa (DBSA) to support the review of Overstrand Municipality's water and sewer master plans be supported in principle;
2. that cognisance be taken of the fact that municipal co-funding is available on the municipality's 2019/20 budget to complete the project; and
3. that the Municipal Manager be authorised to sign the necessary Memorandum of Agreement with DBSA should the grant application be approved.

RESPONSIBLE OFFICIAL:**H BLIGNAUT****TARGET DATE FOR IMPLEMENTATION :****1 NOVEMBER 2019****TARGET DATE TO INFORM APPLICANT :****N/A****TARGET DATE TO INFORM OBJECTOR :****N/A**

From: John Frame <JohnF@dbsa.org>

To: Hanre blignaut <hblignaut@overstrand.gov.za>

CC: Ralph Links <RalphL@dbsa.org>, Ralph Links <Ralph.Links@westerncape.gov.za>, John Frame <John.Frame@westerncape.gov.za>

Date: 2019/09/06 01:57 PM

Subject: FW: Quote for W&S Master Plans

Attachments: Template of Applic Letter and Motivation for DBSA Infr Planning Support

Hanre

It has been decided that, due to the fact that there is a partnership between DBSA and WCG DLG all applications should come through the BSC. Kindly address you application to Marius Brand and mention that the application is in terms of the partnership between the DBSA and DLG.

It may be that the funding will only be available from 1 April 2020. Would that work for you? The following will help:

1. The fact that a process was started as part of the IGP
2. The total cost vs the cost applied for – demonstrating willingness to cofund
3. The innovation on the projected timing of the projects and the usefulness for the Capital Expenditure Framework (CEF)
4. The tracking over time of the water demand / sewer flows so that the CEF can be adjusted annually
5. The innovation of master plans being on planning layers of GIS
6. Tracking completed projects which the move into the layer of existing infrastructure and therefore maintenance and asset management kicks in
7. Anything other innovation or improvement
8. The learnings for municipalities replicability

I attach a templet for the application as well as an example business case. Note again, change the application to Marius in terms of partnership.

Kind Regards

John

John Frame Pr. Eng

Civil Engineer: Local Government Support Unit

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