

Rural Housing: Summary Cost and Scope Norms for the Preparation of UPPF Projects

© Project Preparation Trust 2010



Whilst this document and related methodology has been made generally available by PPT for developmental purposes, they remain PPT's intellectual property and copyright and may not be sold or utilized for commercial purposes without PPT's prior and express consent in which case PPT should receive suitable acknowledgement. They may however be utilized by spheres of government and development practitioners in directly preparing and implementing projects.

Notes: A) Indicative project sizes, capital values and preparation scopes have been utilised - in reality there will be variations and a standard project preparation template is not possible. B) Project Capital Value is inclusive of all project costs (e.g. project preparation fees, engineering design fees, construction supervision and construction costs). C) Preparation management is at 15% because of a high ratio of complexity relative to the cost of project preparation / diseconomies of scale (i.e. small preparation budgets vs implementation budgets but high complexity).

Disclaimer: Whilst these toolkits have been made available by PPT/UPPF for external consumption, including use in support of the CIDB's 'Gateway' process for preparing infrastructure projects, it is emphasized that these toolkits are a work-in-progress and should not be used in a prescriptive fashion. UPPF will update these toolkits from time to time based on experience gained in preparing specific projects. Any suggestions for improvements or refinements should be emailed to PPT / UPPF for the attention of the National Co-ordinator on ppttrust@worldonline.co.za

General UPPF Assumptions: 1) Contract and / or Tender Documentation for project implementation is an additional activity / service provided on request; 2) The intensity of the scope of work outlined below has generally been kept to the minimum necessary to determine: a) the viability of the project and b) a preliminary concept and rough estimate for construction / implementation. The limited budgets typically available for preparing projects have also been taken into consideration. 3) Professionals / companies who undertake preparation work will also be eligible to tender for implementation work. Should this not be the case, then it is likely that there will be an additional cost premium given the reduced potential for professionals to earn profit.

Description: DoH Subsidy Linked Rural Housing Scheme. Current norm is to limit first phase to 1000 households in the event that the beneficiary settlement is larger than 1000 traditional households or 'imizi'. Project preparation comprises two distinct stages; Stage 1: Pre-feasibility resulting in the compilation and submission of a Tranche 1 funding application pack; and Stage 2: Feasibility and Planning Consent leading to the compilation of the Tranche 2 funding application pack. This costing model is based on the 'Pre-planned' approach where an Implementing Agent is only appointed to manage the Implementation Stage of the project. This is however, not the usual method currently employed by municipalities. Typical time frames for preparation are a) Pre-Feasibility study - 8 to 14 months; b) Tr1 Applic. - 1 to 4 months; c) Tr1 Implementation - 6 to 8 months and d) Tr2 Applic - 3 months.

Assumptions: Sites 1000.0
Total Tr 1 budget per 1000 house project (R): 2,442,350
Tr 2 + Tr 3 budget for 1000 houses (40m² house) (R): 59,408,250

Preparation Scope:	Professional	Min Cost Per Site	Max Cost Per Site	Budget excl. VAT (min)	Budget excl. VAT (min)
Preliminary Assessment					
Preliminary Assessment: To confirm project basics and identify any early risks to be assessed further in the next stage, to confirm municipal buyin and support and to clarify perspective of capital funder in relation to the project to be packaged.	Project Manager or Civil Engineer			4,000	8,000
Travel					
Subtotal 1 - Prelim - Ass				4,000	8,000
Pre-Feasibility (Application for T1 Funding) (CIDB 'Assessment')					
Preparation management: Ensure participation and support of all key stakeholders; Compile and maintain a budget; Co-ordinate and manage professional team; Ensure a clear project concept is defined; Ensure compliance with DoH requirements; Phase prep process to manage risk; Compile executive summary & submit pre-feasibility report; liaise with NHBRC and obtain feedback; Obtain DoH conditional approval and municipal approval to proceed to Feasibility Stage. Compile and submit T1 subsidy applications to DoH	Preparation Manager	20	30	20,000	30,000
Preliminary social facilitation: Introduce beneficiary community to housing process, time frames, risks of project failure, roles & responsibilities of parties; Identify key needs as perceived by CBP/TC; identify existing social facilities; Assist proj. team and municipality in engaging community; Communicate land issues; Confirm community commitment to project and housing process; and report on community participation.	Social Facilitator	12	30	12,000	30,000
Bulk services assessment: Assessment of capacity and adequacy of water mains, sewers, road access, storm water control & electricity; Confirm adequacy of raw water supply and sewage disposal; confirm DM plans for bulk services; assess 1:100yr flood lines; Obtain written confirmation from DM re adequacy of bulk services; Draft report on the above including Locality Map with project boundary and position of bulk services.	Civil Engineer	12	20	12,000	20,000
Preliminary geotechnical assessment: Draft report indicating: description of geotech conditions and implications for development; viability of proposed development i.t.o. geotech conditions; recommendations of mitigation of risks or non-viability of project; NHBRC report if required; produce drawings indicating project boundary, geotech detail, areas not suitable for development; Complete DoH GE2 form.	geotechnical Engineer	12	20	12,000	20,000
Preliminary land audit: Draft prelim report including: copies of title deeds and SG diagram; comments on boundaries; schedule of properties, owners, extent, title deed no. etc; ID gazetted land claims & acquire letter from RLCC; schedule of PTO's; assessment of proposals of land assembly and land assembly routes; recommendations on process for consolidation of properties; comment on viability of township establishment; produce plans including outside figure diagram, property boundaries, etc.	Land Legal expert	12	20	12,000	20,000
Preliminary environmental assessment: Draft report including: comment of DFA regulations relating to scoping report; ID environmentally sensitive areas & implications; ID hazardous installations; describe drainage lines and buffer size; ID environmental regs that apply to proposed development; ID any material barriers to development and possible mitigation measures; recommendations on further environmental assessment required; assist in obtaining feedback from Dept of Environmental Affairs; and include marked up plan.	Environmentalist	12	20	12,000	20,000
Household Socio survey: draft socio-survey questionnaire; undertake door-to-door survey; compile a report and analysis of data	Social Facilitator	10	30	10,000	30,000
Preliminary Spatial Plan: Obtain existing base maps, SDF, LUMS, IDP; visit site; attend initial community meetings, liaise with professionals from the area; Draft report and Spatial plan including: site visit and existing land use; social facilities; comment on project in IDP; housing plans, etc.; confirm project boundary; comment on existing level of service, top structures, prelim layout, yield estimate, facilities etc.; provide recommendations on viability of project, site constraints and yield; include Locality Plan, slope analysis, undevelopable areas and prelim sett plan.	Town Planner	12	30	12,000	30,000
Subtotal 1: Pre-Feasibility				102,000	200,000

Feasibility stage: (Application for T2 funding) (CIDB 'Concept')					
<u>Preparation management:</u> Maintain relationship with key stakeholders; Compile and maintain a budget; Co-ordinate and manage the professional team including assessing products, facilitating payment of project team; Ensure participation of key stakeholders; Assess project feasibility and report to stakeholders; Compile and submit T2 subsidy applications to DoH; Ensure NHBRC requirements are met; Follow through with DoH and obtain written approval of subsidy application; and assist Municipality in signing contract with DoH/IA.	Preparation Manager	30	90	30,000	90,000
<u>Land assembly:</u> Discussion with Traditional Aut, HS, Muni etc to define the most suitable pinning route, Application to Ingonyama Trust for in principle support, culminating in a development rights agreement after planning consent is obtained.	Land Legal expert	0	5	0	5,000
<u>GPS Survey:</u> Discussion with stakeholders to define way forward, Allocations and functional tenure arrangements with Traditional Authority, GPS survey, placement of beacons and referencing, site logistics.	Land Surveyor	200	350	200,000	350,000
<u>Environmental Management Plan:</u> Confirm "deep rural" and unchanging development footprint, submit report to environmental department to confirm project status, develop environmental management plan for approval	Environmental consultant	20	30	20,000	30,000
<u>Subsidy Admin and Approval:</u> Discussion with stakeholders to define way forward, Allocations and functional tenure arrangements with Traditional Authority, Subsidy Admin process and logistics, follow up on HS approvals and provide beneficiary lists.	Subsidy Administrator	250	350	250,000	350,000
<u>Prelim engineering design & cost estimates:</u> Liaison with municipal departments; confirm service levels; produce prelim services layout drawings; draft prelim design report including information on bulk and internal services, proposal of services required, cost estimates; programme and cashflow. Including floodline analysis.	Civil Engineer	30	100	30,000	100,000
<u>Prelim settlement plan, report and planning approval:</u> Source base info such as GPS coordinates, spatial plan, allocations policy etc, Liaise with community and other key stakeholders, prepare and workshop settlement plan and planning report, Submit documents for planning approval (TAC or DFA), manage approval process.	Town Planner	250	350	250,000	350,000
<u>Top-structure solutions & delivery method:</u> visit site with community members and project team members and consider constraints; outline broad delivery method and topstructure solutions; workshop options, agree preferred options; workshop tenure options; draft report on preferred option, tenure options, subsidy types; delivery method; topstructure solution and prelim designs and cost estimates.	Civil Engineer	0	10	0	10,000
<u>Social facilitation & Social Compact:</u> Community and professional team meetings; capacity building; liaison with stakeholders and prof team; facilitate regular CBP / community level project meeting; constitutional development and community wide communication; workshop project concept with TC / community; confirm clear understanding of housing delivery process and timeframes; ensure community / TC is involved and makes relevant inputs into development process; identify social threats, recommend and implement solutions; facilitate resolution of relocation issues; Draft Social Compact, workshop and facilitate signing thereof; draft report on all activities and community readiness for housing project	Social Facilitator	15	30	15,000	30,000
Subtotal 2: Feasibility				795,000	1,315,000

Combined Subtotal 3	901,000	1,523,000
Travel and Minor disbursements @ 7.5%	67,575	114,225
Subtotal 4	968,575	1,637,225
Preparation Management at 15%	145,286	245,584
Subtotal 5	1,113,861	1,882,809
Contingencies at 5%	5,569	9,414
Total preparation budget	1,119,431	1,892,223
Total Preparation costs as a percent of total project cost (including capital)	1.9%	3.2%