

KWAZULU-NATAL DEPARTMENT OF HOUSING

IMPLEMENTATION OF HOUSING SUBSIDY SCHEME

PART 2 :TRANCHE 2 APPLICATION FOR RURAL SUBSIDIES

PROJECT NAME :

Project Application No.	K								
Date received									
	d	D	m	m	y	y			
(For official use only)									

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FORM RURAL PLS1

Application is made for Rural Project Linked Subsidies for the following project:

1. PROJECT NAME:
(If this is a resubmission, fill in previous Project No.....)

2. DEVELOPER'S NAME
POSTAL ADDRESS:
.....
..... Code:
Telephone: (Code.....)..... Cell
Facsimile: (Code.....).....
Contact Person (Name).....

3. TRADITIONAL AUTHORITY NAME :
POSTAL ADDRESS:
.....
..... Code:
Telephone:(Code.....)..... Cell No:.....
Facsimile: (Code.....).....
Contact Person (Name).....

4. DEVELOPER'S AGENT (if applicable):.....
(Attach a copy of the letter of authority from the Developer to submit this application)
POSTAL ADDRESS:
..... Code:
Telephone: (Code.....)
Facsimile: (Code.....)
CONTACT PERSON (Name):.....

5. LOCATION OF PROJECT.

- 5.1 Co-ordinates of outer boundary of project (certified by Land Surveyor).
- 5.2 Outside figure of Traditional Authority Area (Isigodi Area).
- 5.3 Outside figure showing relationship between municipal ward demarcation and isigodi boundary.
(Diagrams listed in 5.1 – 5.3 to be attached as Annexure.....)

6. NUMBER OF RESIDENTIAL ALLOTMENTS (typical phase reserved to 1000:

7. LOCAL AUTHORITY:

- 7.1 MAGISTERIAL DISTRICT :

8. FULL PROJECT DESCRIPTION
.....
.....
.....
.....
.....

9. SUBSIDY ADMINISTRATOR'S DETAILS (TRADITIONAL AUTHORITY OR RESPONSIBLE AGENT)

Name :

Address :

Telephone: (Code.....)

Facsimile: (Code.....)

10. INCREASE IN SUBSIDY AMOUNT

- 10.1 An increase in subsidy of % is required for the following (*attach a completed Form GE2 -- refer to clause 1.9.3, Appendix 1*):
 - 10.1.1 adverse slope conditions (*attach a slope analysis plan duly certified by the Town Planner -- refer to clause 1.9.1, Appendix 1*)
 - 10.1.2 adverse geotechnical conditions (*attach a geotechnical motivation duly certified by a Geotechnical Engineer -- refer to clause 1.9.2, Appendix 1*)

11. TOTAL SUBSIDY APPLICATION :

The final beneficiary mix, as determined from the *final approval* (refer to clause 12.2 herein), and total subsidy amount is as follows :-

Geotechnical/topographical allowance		= % (T)			
Income Group (per Month)	No. of Beneficiaries A	Subsidy Amount B	Existing Grant * C	Balance of Subsidy Due D = B - C	Total A x D
<R1500	R25 800 x (T) = R	R	R	R
R1501-R2500	R15 700 x (T) = R	R	R	R
R2501-R3500	R8 600 x (T) = R	R	R	R
Total	Total Subsidy Amount			R

Note : “Existing grant * ” : Any existing grant must be indicated here i.e. existing grant monies for services or completed & installed services provided to the development by to an approximate value of R....., comprising the following :

.....
.....

12. RECORD OF UNDERSTANDING, SOCIO-ECONOMIC STUDY, & CBP

12.1 SOCIAL COMPACT

12.1.1 Attach a copy of the Record of Understanding concluded with the Community Based Partner (signed by the relevant parties not earlier than 6 months prior to the date of this application). (Refer to clause 1.3, Appendix 1)

12.1.2 List all stakeholders in this project:

- i. Department of Housing.....
 - ii. Municipality :
 - iii. Department of Traditional & Local Government Affairs(DTLGA)
 - iv. Ingonyama Trust Board
 - v. Department of Agriculture & Environment Affairs
 - vi. Traditional Authority
 - vii. Other :
-

12.2 SOCIO-ECONOMIC STUDY

Attach a copy of the socio-economic study carried out to determine the community need, affordability to acquire the sites and service charges. (The investigation is not to be older than 9 months at the date of this application). This survey is to comply with the requirements as set out in the DTLGA guidelines document (Refer to clause 1.3, Appendix 1)

12.3 COMMUNITY BASED PARTNER (CBP)

Attach details of the formal structure of the CBP. (Refer to clause 1.4, Appendix 1) If no formal structure has been concluded, provide the following information:

Date CBP formed.....

Method by which members of CBP elected

.....
.....

Details of how CBP deals with disputes and conflicts

.....
.....
.....

Details of the CBP's knowledge and understanding of the development process

.....
.....

Details of the development process that has been workshopped with the CBP

.....
.....

12.4 COMMUNITY INVOLVEMENT IN DEVELOPMENT

12.4.1 Training

The Developer commits to incorporating the following training into the project:

- * Training of committee members in committee procedures.
- * Clerical skills, accounting skills, storekeeping skills.
- * Construction techniques.
- * Contracting skills.

(* Specify)

*

12.4.2 Labour Intensive Construction Methods

The Developer commits that the following aspects (if applicable) of the development will be constructed utilising labour intensive techniques employing local labour from the community:

- (a) Roads : *
- (b) Stormwater : *
- (* Specify) (c) Water : *
- (d) Sanitation : *
- (e) House Construction : *

12.5 SOCIAL INFRASTRUCTURE

What measures have been taken or are proposed, for provision of the following facilities:

- Education
- Health
- Community
- Employment
- Shopping
- Sports and Recreation
- Other details
-
-

*Provide a preliminary settlement plan & preliminary planning report(orthophoto map) or status report with respect to existing & neighbouring facilities : (refer to clause 1.3, appendix 1)

.....

13. LAND INFORMATION

13.1 Cadastral description of the area as defined in the Memorandum of Agreement and shown on a diagram (Annexure B), with co-ordinates and isigodi area, prepared by a land surveyor. All cadastral parcels of land to be assembled, which will constitute the outside figure diagram, are to be shown and listed on the diagram. Where a Development Rights Agreement(DRA) has been concluded, this diagram is to be consistent with the Designation Diagram as contemplated in the DRA.

(Attach diagram [prepared by a Land Surveyor] marked Annexure B together with a Locality Plan [to a legible scale]-- refer to clause 1.7, Appendix 1)

13.2 The land is owned by
(Attach copy of Title Deed -- refer to clause 1.5, Appendix 1).

13.3 If the land is not owned by the Developer, a copy of the signed Development Rights Agreement is to be attached. *(Refer to clause 1.6, Appendix 1)*

14. SETTLEMENT PLANNING(The Settlement Plan is to be approved by the Department of Traditional & Local Government Affairs)

14.1 Settlement Plan and Layout

- (i) Projects for which planning is advanced :
The project comprises an estimated number of residential allotments, as shown on the attached settlement plan / orthophoto map. (*Refer to clause 1.8, Appendix 1*)
- (ii) Projects for which planning has not yet commenced or is preliminary :
The project comprises approximately sites.

14.2 The current status of the Settlement Planning process is as follows:

.....
.....

14.3 The proposed programme for Settlement Planning comprises:

- 14.3.1 Settlement Plan submitted complete by:*
- 14.3.2 Settlement Plan endorsement approved by:*
- 14.3.3 Allocation by: *
- 14.3.4 GPS referencing by: *
- 14.3.5 Beneficiary approval by: *

(The applicant/developer is to insert the number of calendar days after the Project Agreement effective date).*

15. SETTLEMENT PLANNING

Attach a copy of the preliminary/final settlement planning layout. (*Refer to clause 1.8, Appendix 1*)

16. TENURE TYPE

Functional Tenure, shall be in the form of :

- Certificate of Occupation
- PTO's

17. FLOOD LINES

17.1 All residential sites must be planned to be located above the 100-year floodline. **Where possible**, the 100-year floodline should be indicated on the Settlement Planning layout.

18. BULK SERVICES (Attach appropriate written confirmation. -refer to clause 1.10 Appendix 1)

In terms of the subsidy scheme, capital contributions for the provision of bulk services are not allowed from the individual subsidies. Bulk Services for the project shall be provided by the service providers at no capital contribution cost.

18.1 The major road access is provided for as follows(if applicable):

.....
.....
.....

and will be * / * has been (* delete inapplicable) provided by

.....
.....
(refer to clause 1.10, Appendix 1)

18.2 The bulk water supply comprises (if applicable).....

and will be * / has been (* delete inapplicable) provided by

.....
.....
.....
(refer to clause 1.10, Appendix 1)

19. INTERNAL SERVICES (attach an Engineer's preliminary services layout and specification -- (refer to clause 1.11, Appendix 1). The development and services shall be to the approval of the Local Municipality or District Municipality and shall comprise the following :

19.1 Roads:

Primary: m surfaced with stormwater control, km long.

Secondary: m gravel with stormwater control, km long.

Unmade: km long to provide access for the delivery of materials.

Other:.....

.....
.....
.....

19.2 Footpaths

Type 1: m wide concreted footpaths with stormwater control, km long.

Type 2: unmade, km long.

19.3 Stormwater Control

- * Roadside channels with piped stormwater crossings, as required.
 - * All stormwater channels to be concrete-lined where the grade exceeds 1 in 10.
 - *
- (* Insert/Delete)*

19.4 Erosion Protection

- * Erosion protection measures are to be provided at all stormwater discharge points and along stormwater channels/valley lines, as required.
 - *
- (* Insert/Delete)*

19.5 Water Supply

Water supply shall comprise:

- * standpipes at m intervals delivering a minimum flow of litres per minute with pipe sizes sufficient to allow for upgrade to individual connections in the future;
 - * individual connections to each site;
 - * individual connections to each site with a meter.
 - * other eg. (boreholes, etc.)
- (* Delete whichever is not applicable)*

19.6 Sanitation

Sanitation shall comprise:

- * A VIP (Ventilated Improved Pit) toilet constructed of:
..... with a
..... roof and pitlining of
..... and minimum pit size of 2,9m³.
 - * Or other form of on site sanitation
- (* Delete whichever is not applicable and fill in if required)*

19.7 Electricity Supply (if applicable or possible)

Electricity supply shall comprise:

- * Street lighting and metered individual connections.
 - * Street lighting and a prepayment meter and REDI-Board to each house.
 - * Other.....
-
and will be provided by
- (* Delete whichever is not applicable)*

19.8 The telecommunications comprise the following (if applicable or possible)

.....
and will be provided by

19.9 The postal services comprise the following (if applicable or possible)

.....
and will be provided by

19.10 The solid waste services comprise the following:

.....

and will be provided by

NOTE: All proposed services are to be agreed with the appropriate service providers and responsible municipalities (district or local). Services agreements with service providers are to be agreed with the respective municipalities / traditional authorities. These agreements should be attached as --(refer to clause 1.10, Appendix 1).

20. FINANCIAL INFORMATION

20.1 The total product price is as follows (from Annexure D) :

	Price / site	Price / site	Price / site
Beneficiary income / month	>R1500	R1501 – R2500	R2501 – R3500
Infrastructure/Top structure construction (Tranche 2)	R	R	R
Total product price :	R	R	R

**Delete whichever is not applicable
(Note : VAT to be zero rated on subsidy amounts)*

Notes :

- (a) Tranche 2 payments relate to the construction of services and topstructures and all related and associated professional fees.
- (b) Topstructures to be provided within this project are to be detailed with plans and specifications and are to be attached to this application -- refer to clause 1.12, Appendix 1.
- (c) If Tranche 2 payments include for the supply of materials, the supply of materials will be dealt with as follows: -- refer to clause 1.12, Appendix 1.

.....

.....

21. *PROJECT ADMINISTRATION*

21.1 The project administration will be undertaken by using the following:

- 21.1.1 Project Manager
- 21.1.2 Town Planner
- 21.1.3 Land Surveyor
- 21.1.4 Civil Engineer
- 21.1.5 Structural Engineer
- 21.1.6 Geo-technical Engineer
- 21.1.7 Subsidy Administrator
- 21.1.8 Building professional
- 21.1.9 Other (specify)

21.2 Certification tasks will be provided by the following professionals :-

Professional & Responsible persons	Name	Professional Indemnity (PI) Expiry Date*	Specimen signature	Certification task
Land surveyor	Reference + GPS certification Form
Civil engineer	Forms P1 & P3 (if applicable)
Geotechnical engineer	Geotechnical certificate (Annexure H, clause B3)
Structural Engineer	Forms P1 & P3 (if applicable)
Traditional Authority	Certificate of Occupation Form
Building professional	Completion certificate Form P5/1

* Please attach PI certificate.

I, (name)
hereby warrant that I am duly authorised to submit this application (supporting documentation to be attached in Annexure C), all relevant information relating to this project has been disclosed, the application form has been completed as required, supporting documentation has been attached, and to the best of my knowledge all information is true and correct.

.....
SIGNATURE
for and on behalf of the **Developer**.

.....
DATE

The following co-signature is obligatory, and no application will be considered without it :

* : By appending my signature in the table below, I hereby warrant that I am duly authorised by the Municipality / District Municipality to co-sign this application as certifying that the Municipality / District Municipality is supportive of the development in terms of the relevant development criteria:-

Development criteria in respect of this Project Application	* Signature	*Name of signatory	Date
Compatible with the Integrated Development Plans & Land Development objectives
The land is suitable for development in terms of geotechnical, topographical & environmental factors, and has been identified under the Land Suitability Study.
There exists a demand for sites in this project area and the project has community acceptance.
All the Bulk water services are available, or we commit to provide such services within the project's requirements or, if it is not our function, we confirm that we have obtained confirmation from the relevant Bulk Service Provider that they will provide such service within the project's requirements.
Planning Approval
Traditional Authority Approval

APPENDIX 1: SUPPORTING DOCUMENTATION :PART 2 : TRANCHE 2

Copies of the following documents are to be attached as appropriate:

: Indicates document **not required** for Tranche 2 if submitted for Tranche 1.

		Document attached (✓)	
		Yes	No
1.1	Letter of Authority from the Developer for an Agent to submit the Application (if the Agent is not the Developer)	<input type="checkbox"/>	<input type="checkbox"/>
1.2	Signed agency agreement between Municipality and Implementation Agent	<input type="checkbox"/>	<input type="checkbox"/>
1.3	Socio-economic study / Beneficiary approval	<input type="checkbox"/>	<input type="checkbox"/>
1.4	Constitution of Development Committee	<input type="checkbox"/>	<input type="checkbox"/>
1.5	Title Deed (of underlying property).	<input type="checkbox"/>	<input type="checkbox"/>
1.6	Consent of landowner (Ingonyama Trust Board)	<input type="checkbox"/>	<input type="checkbox"/>
1.7	Outside figure diagram of Project and Isigodi area (2 separate diagrams)	<input type="checkbox"/>	<input type="checkbox"/>
1.8	Settlement Plan showing 100 year floodline.	<input type="checkbox"/>	<input type="checkbox"/>
1.9.	Geotechnical/topographical/locational reports :	<input type="checkbox"/>	<input type="checkbox"/>
1.9.1	Town Planner's slope analysis plan for steep slope allowance	<input type="checkbox"/>	<input type="checkbox"/>
1.9.2	Geotechnical motivation for geotechnical allowance	<input type="checkbox"/>	<input type="checkbox"/>
1.9.3	Completed Form GE2	<input type="checkbox"/>	<input type="checkbox"/>
1.10	Appropriate confirmation of provision of Bulk Services / commitment to provide	<input type="checkbox"/>	<input type="checkbox"/>
1.11	Engineer's preliminary internal services layout plan and specification (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
1.12	Plans and specifications for top structures	<input type="checkbox"/>	<input type="checkbox"/>
1.13	Project Cash Flow projection/Development Program	<input type="checkbox"/>	<input type="checkbox"/>
1.14	Any other documentation to support this Application	<input type="checkbox"/>	<input type="checkbox"/>
1.15	Traditional Authority Approval	<input type="checkbox"/>	<input type="checkbox"/>
1.16	Planning Consent from DTLGA	<input type="checkbox"/>	<input type="checkbox"/>
1.17	Resolution authorising and specifying co-signature on behalf of the Local Authority.	<input type="checkbox"/>	<input type="checkbox"/>
1.18	Professional Indemnity Certificates of : land surveyor, Civil Engineer, Geotech Engineer, Structural Engineer, & Building Professional	<input type="checkbox"/>	<input type="checkbox"/>

FORM GE2

(Version 2)

Project No.: K.....

REQUEST FOR INCREASE IN SUBSIDY FOR GEOTECHNICAL / TOPOGRAPHICAL CONDITIONS

Project Name :

EVALUATION CRITERIA

Conditions	7.5% or 15%	Comments	% to be added
1 Topographical :			
1.1 Steep terrain with > 67% of residential sites steeper than 1:10	7.5		
1.2 Steep terrain with > 90% of residential sites steeper than 1:10	15		
1.3 Steep terrain with > 33% of residential sites steeper than 1:6	15		
1.4 Undulating terrain requiring bulk earthworks	7.5		

By :

Signature :

Date:.....

Verification by Professional Town Planner. (Name of person, not company name)

Note : By verifying this section of Form GE2, the signatory acknowledges liability for ensuring that the information entered herein is true and correct.

2 Geotechnical :			
2.1 Hard rock / boulders in <1,5m depth in < 25% of sites	7.5		
2.2 Hard rock / boulders in <1,5m depth in > 25% of sites	15		
2.3 Loose sand & high water table (within 1m of surface)	7.5		
2.4 Engineer designed foundations in : < 25% of residential sites	7.5		
2.5 Engineer designed foundations in : > 25% of residential sites	15		

By :

Signature :

.....

Date :

Verification by Geotechnical Professional. (Name of person, not company name)

Note : By verifying this section of Form GE2, the signatory acknowledges liability for ensuring that the information entered herein is true and correct.

Total Percentage Increase (Note : Not to exceed 15 %) %
--	---------

ANNEXURES TO MEMORANDUM OF AGREEMENT :

ANNEXURE D : PROGRESS PAYMENT SCHEDULE

TRANCHE 2

[**** THIS “ANNEXURE D” IS TO BE INCLUDED AND FORM PART OF THE PROJECT
MEMORANDUM OF AGREEMENT ****]

PROJECT NAME :

MEMORANDUM OF AGREEMENT : ANNEXURE D

PROGRESS PAYMENT SCHEDULE : TRANCHE 2

D1 PROGRAMME

D1.1 Progress Payment Key Dates

Description	No. of days (Note 1)	Key Dates (dd/mm/yyyy)
D 1.1.1 Tranche 2 : Construction of services and houses:		
Start Date:/...../.....
Completion Date:/...../.....

Note 1 : The applicant/developer is to specify the key dates as the number of calendar days after the Project Agreement effective date. The actual dates will be inserted by the DoH.

D1.2 Project programme

The developer is to attach to this subsidised housing project application a programme in the form of a Bar Chart indicating all the various tasks involved in the development of the project and their relevant time frames. To assist the developer in this regard, a typical Bar Chart is included in the following 2 pages herein.

The submission of a Bar Chart for this project is extremely important, and the developer is to pay particular attention to ensuring its accuracy as all the milestones contained within the Memorandum of Agreement shall be based on dates derived from it. Any changes required by the developer to the programme shall be subject to written request and motivation to the DoH and written approval by the DoH.

D2 SUBSIDY PAYMENT REQUIREMENT PROJECTIONS

D2.1 Agreed details for the purposes of calculating progress payments

SUBSIDY QUOTA : AS PER APPROVAL

INCOME GROUP	A NO.OF BEN.	B SUBSIDY AMOUNT	C			D TOTAL INCL. VARIATION ALLOWANCE (AxB)+C	E LESS TRANCHE 1 PAYMENT R1393.91 (MAX PER SITE))	F TOTAL TRANCHE 2 PAYMENT (D-E)
			VARIATION ALLOWANCE (TOTAL 15 %) CALCULATED ON PRODUCT PRICE R25 800					
			CATEGORY I	CATEGORY II	CATEGORY III			
			%	%	%			
< R1 500		R25 800						
R1 501 - R2 500		R15 700						
R2 501 - R3 500		R8 600						
TOTAL								

TOTAL SUBSIDY BROUGHT FORWARD :

LESS : PREPARATION FUNDING/PREVIOUS PAYMENTS :

AMOUNT AVAILABLE : _____

PROGRESS PAYMENT TRANCHEs

D2.1.2 TRANCHE 2

TRANCHE 2

TRANCHE 1 RESOLUTION NUMBER :

PROOF OF COMPLETION (TRANCHE 1)
1. Approval of settlement plan by DHLG&TA and the Municipality (Certificate P1)
2. Completion of GPS survey and placement of beacons (Certificate P2)
3. Approval from DOH of final product (HAC Approval resolution)
4. Confirmation from DOH of number of subsidies approved (beneficiary listing)

CODE	DESCRIPTION	AMOUNT
PI 01	Civil Engineer – design and supervision	
PI 02	House design and supervision	
PI 03	Geotechnical / Structural Engineer supervision and certification.	
PI 041	Sanitation	
PI 042	Water reticulation	
PI 043	Roads	
PI 044	Storm Water	
PI 05	Project Manager	
PI 061	House foundation	
PI 062	Superstructure	
PI 063	Roof	
PI 7	Developer	

SUB TOTAL :

ADD : CATEGORY II VARIATION :

TOTAL: TRANCHE II : _____

NB. (i) TRANCHE 2 IS MADE UP OF THE BALANCE OF THE SUBSIDY AMOUNT

INCLUDING PERMISSABLE VARIATIONS.

Tasks to be included in the above :

(PI01) Civil Engineer :

- 1 Undertake the necessary design work including drawings and tender documentation
- 2 Assist in concluding services agreement with relevant municipalities and service providers
- 3 Ensure that designs are approved by the relevant municipality
- 4 Award engineering contracts
- 5 Approve contract insurances and sureties
- 6 Monitor and supervise construction activities
- 7 Determine contract completion dates and set up communication procedures with contractor.
- 8 Measure and certify completed construction work, and issue interim certificates.
- 9 Resolve claims and extra work.
- 10 Arrange completion inspection and handover to local authority.
- 11 Accept completed work in terms of Services Contract.
- 12 Other (specify) :
 - (i)
 - (ii)

(PI02) House Design and Supervision

- 1 Prepare sketch plans of different top structure options.
- 2 Prepare specifications for the building work.
- 3 Prepare cost estimates for the top structures for the different levels of finish.
- 4 Prepare a report summarising the design options, specifications and resultant costs, submit to local authority and obtain in-principle approval from stakeholders.
- 5 Prepare detailed drawings and specifications for topstructures, and obtain approval from local authority / traditional authority / community.
- 6 Call for tenders / issue documents.
- 7 Evaluate tenders, write tender report, review with developer and award tender.
- 8 Ensure that foundations are certified by a structural engineer and or geotechnical engineer as applicable.
- 9 The structural integrity of each and every structure is to be certified by a competent person.
- 10 Other (specify) :
 - (i)
 - (ii)

(PI03) Geotechnical engineer :

- 1 If subsidy increases have been granted on the basis of anticipated adverse geotechnical conditions, each and every site is to be inspected and geotechnical certificates issued.
- 2 This could relate to both foundations and on site sanitation.
- 3 Other (specify) :
 - (i)
 - (ii)

(PI04) Services Contractor :

- 1 Submit proof of insurance cover and performance guarantees.
- 2 Set up communication procedures with engineer.
- 3 Construct services and obtain approval from engineer.
- 4 Other (specify) :
 - (i)
 - (ii)

(PI05) Project Manager :

- 1 Compile all documentation required for T2 payments, submit to DOH, and process payments.

- 2 Ensure the overall co ordination of all activities related to the construction of services and houses.
- 3 Ensure co ordination between the construction of services and houses and beneficiary approvals.
- 4 Oversee the relevant professionals to ensure compliance with all agreements
- 5 Other (specify) :
 - (i)
 - (ii)

(PI06) House construction :

- 1 Construction of houses in accordance with the designs and specifications contained in the project agreement.
- 2 Ensure that houses are handed over to the correct beneficiaries and the relevant pro forma certificates signed.
- 3 Other (specify) :
 - (i)
 - (iii)

(PI07) Developer :

- 1 Overall management of above tasks.
- 2 Manage project funds in accordance with the agreement
- 3 Other (specify) :
 - (i)

Note 2 : (a) The fee / site (T2) must be apportioned equally between all the residential properties.
 (b) To prevent rounding-off errors in the progress payment calculations, it is advisable to round the fee/site T 2 to the nearest R1 (by adjusting the total cost).

D3 MILESTONE PAYMENT PREREQUISITES

D3.1 Agreed milestone payments :-

Milestone	Milestone Payment Per Site
T2 Services and house construction (from page ____)	

D3.2 Milestone payment prerequisites

The Developer shall be entitled to receive tranche payments as follows:

D3.2.1 **T2 : Services, house construction and associated fees:**

- (i) On signing of stage 2 of the agreement, Tranche 2 will be paid to the relevant municipality fulfilling the role of developer.
- (ii) Payment of tranche 2 will require that the following have been concluded and satisfactory proof thereof furnished to the DoH;
- (iii) Certified copies of the approved settlement plan as approved by the Department of Traditional and Local Government Affairs as well as the relevant Local Municipality.
- (iv) A certificate from a Land Surveyor confirming that the individual GP'S beacons have been placed and the co ordinates calculated and logged onto

an electronic data base.

- (v) Confirmation form the Department of Housing that at least 70% of the total anticipated number of beneficiaries have been approved as qualifying beneficiaries.
- (vi) Approval, by the relevant executive authority of the Department of Housing, of the proposed product.

D4 PROGRESS PAYMENT PREREQUISITES (PAYMENTS FROM THE DEVELOPER TO THE IMPLEMENTATION AGENT OR PROFESSIONALS AND RELEVANT CONTRACTORS)

In order for the various professionals, implementing agent or contractors to be paid by the developer (municipality) pro forma certificates and appropriate invoices must be verified by the Department of Housing prior to the municipality making such payments from the tranche funding already advanced.

(i) Fees for Professionals

To be paid on invoice and submission of relevant documents such as environmental and geotechnical reports. Project managers are to be paid pro rata on progress achieved to date. With respect to house design and environment design, the following will apply:
Letter from Local Authority confirming approval of designs.

(ii) Services

Interim payments for work completed and due are to be paid against an engineers certificate. For purposes of payment, this due payment shall be represented by and equated to a "number of sites" based on the relevant T2 "payment per site" The "number of sites" shall be an integer figure determined from the above resultant calculation, and is determined merely to enable an interim payment to be made and is not indicative of the number of fully serviced sites.(Cert. P3)

(iii) House construction & VIP'S (Service Completion Certificate)

Certification by the building Professional nominated by the Developer, and approved by the DOH, that the top structures have been constructed and handed over (Cert P4/1 & P4/2), and to be countersigned by a duly authorized official of the Local Authority concerned.

Where a geotechnical allowance has been granted certification by the relevant structural or geotechnical engineer will be required. (Cert 4/3 & P4/4)The Department of Housing inspectorate will inspect each and every new unit constructed prior to any payment being released. A certificate of acceptance by the beneficiary will also be required (Cert P5).

ANNEXURES TO MEMORANDUM OF AGREEMENT :

ANNEXURE : TECHNICAL SPECIFICATION FOR TOP STRUCTURES

[*** THIS “ANNEXURE H” IS TO BE INCLUDED AND FORM PART OF THE PROJECT MEMORANDUM OF AGREEMENT ***]

PROJECT NAME :

TECHNICAL SPECIFICATION FOR TOP STRUCTURES

Note : The specifications contained herein are applicable where the construction of the top structure is part of the development of the project. They do not apply where the top structure is constructed by the beneficiary.

A Minimum Norms and Standards

A1 General

Permanent housing that is covered by this document must be built in accordance with the principles embodied in Act No. 12 of 1998 : KwaZulu-Natal Housing Act, 1998. Building plans and specifications must be prepared and handed over to the home owner and be lodged with the Municipality.

The buildings and their services must comply with the requirements of the NBR and with the relevant SABS codes of practice.

A2 Form

The buildings should be simple in form and straightforward to construct.

A3 Structural design

Any building and any structural element or component thereof must be designed to provide strength, stability, serviceability and durability for the life of the structure, in accordance with accepted principles of engineering design and construction practice.

A4 Materials and components

All materials and components used in the dwelling and in any associated structures must be :-

- durable and suitable for the purpose for which they are used,
- installed or used in accordance with the manufacturer's instructions.

A5 Dimensions

The minimum size of the completed structure shall be not less than thirty square metres. Any room or space shall have dimensions that will ensure that such room or space is fit for the purpose for which it is intended.

A6 The site and site preparation

Before finally approving the site a geotechnical survey shall be conducted to determine the suitability of the founding conditions. The site works must be compatible with the aim of producing affordable housing within the cost constraints imposed by the subsidy scheme. The ground in the vicinity of the building must be levelled before construction commences. This must be done with due attention to the need to control and dispose of rainwater runoff.

The finished ground levels must direct water away from the building. In areas where termite infestation is known to be a problem, the soil within the site must be treated in accordance with the recommendations set out in SABS 0124 -*Application of certain soil insecticides for the protection of buildings*.

A7 Foundations

The foundation of any building must be designed to safely transmit all the loads from the building to the ground without causing or being subjected to excessive movements. In favourable ground conditions the foundations must be designed to reduce as far as practically possible the depth of excavation, the height of foundation walls and the cost of unnecessarily large footings. Any variation from the foundations required by the Deemed-to-satisfy rules of the NBR must be the subject of a rational design by a Professional Engineer. In problematic ground conditions a Professional Engineer must design the foundations and advise on the articulation of the superstructure if this is deemed necessary.

A8 Concrete

Concrete must be of the grade specified or of a higher grade.

A9 Cement specification

The correct cement for the purpose intended must be clearly specified and it must comply with the requirements of SABS ENV 197-1 *Common Cements* and SABS 413-1 *Masonry Cements*. Masonry cement must not be used in concrete, and masonry cement MC 22,5X must not be used in shell bedding mortar.

A10 Floors

Any floor of any building shall be:

- strong enough to support its own weight and any loads to which it is likely to be subjected without undue distortion or distress,
- water resistant in the case of the floor of any kitchen, shower room, bathroom or room containing a WC,
- provided with adequate under-floor ventilation in the case of a suspended timber floor,
- so constructed that any moisture present in the ground or filling is prevented from penetrating the slab in the case of a concrete floor slab that is supported on ground or filling.

A11 Damp proof courses (DPC) and membranes (DPM)

These items must be provided and installed in accordance with SABS 021: *Waterproofing of buildings*. The horizontal DPC must be installed at not less than 150mm above the level of the surrounding ground, and must not be plastered over.

A12 Walls

Any wall shall be:

- capable of safely sustaining any loads to which it is likely to be subjected and in the case of a structural wall shall be capable of safely transferring these loads to the supporting foundations,
- so constructed that it will adequately resist the penetration of water into any part of the building where it would be detrimental to the health of the occupants or to the durability of the building,
- provided with the means to fix any roof truss, rafter or beam to the wall in a secure manner that will ensure that any forces to which the roof may normally be subjected will be transmitted to the wall supporting it,
- of combustibility and fire resistance characteristics appropriate to the use of the wall.

A13 Roofs

The roof of any building shall :

- be so constructed that it will resist any forces to which it is likely to be subjected,
- be durable and waterproof,
- not allow the accumulation of any rainwater upon its surface,
- be constructed to provide adequate height in any room immediately beneath the roof/ceiling assembly,
- have a fire resistance appropriate to its use.

A14 Doors

The correct type and quality of door must be specified, supplied and properly hung in the appropriate opening.

A15 Glazing

Any glazing shall be of glass or plastics and be fixed in a manner and position that will ensure that it will :

- safely sustain any wind loads to which it is likely to be subjected,
- not allow the penetration of water to the interior of the building.

A16 Lighting and ventilation

Any habitable room, bathroom, shower-room and room containing a WC shall be provided with a means of lighting and ventilation which will enable such room to be used, without detriment to health and safety or causing any nuisance, for the purpose for which it is designed.

All dwellings shall be provided with the means of ventilation and natural lighting set out in Table 2 below :-

Table 2 : Criteria for ventilation and natural lighting

Description	Floor area of dwelling	
	≤ 45m ²	> 45m ²
Minimum window area (light area) for each habitable room, including kitchens	5% of floor area	Greater of 10% of floor area or 0.2m ²
Minimum area of openable windows or controllable ventilation openings for each habitable room, including kitchens *	5% of floor area with one opening having an area of at least 0.1m ²	Greater of 0.2m ² or 5% of floor area

*Not more than half the number of ventilation openings shall occur on one side of the dwelling

A17 Drainage and Sanitation

Drainage installations shall be:

- designed and constructed so that the installation is capable of carrying the hydraulic design load and of discharging it into a common drain, connecting sewer or sewer provided to accept such discharge,
- watertight,
- capable of sustaining the loads and forces that it may normally be subjected to,
- protected against any damage wherever this is necessary,
- capable of being cleaned and maintained through the means of access provided.

Drains must be laid strictly in accordance with the requirements of the Municipality. French drains and septic tanks must be constructed to a size and design approved by the Municipality. Non waterborne means of sanitation should comply with the requirements of Section 7.4 of SABS 0252-2 *Water supply and drainage of buildings: Part 2: Drainage installations for buildings*, all to the requirements of the Municipality. Where waterborne sewage disposal is not available, no person shall construct a pit latrine without the permission of the Municipality.

A18 Stormwater disposal

The design shall provide for suitable means for the control and disposal of accumulated stormwater. Stormwater drains must comply with the requirements of the Municipality

A19 Environmentally efficient housing

A19.1 Water supply:

The design of the water supply and the specification of devices such as taps, showers and toilets must be in accordance with the aims of the *National Water Conservation Campaign*. Before specifying water saving devices such as low-flow showerheads the designer must satisfy himself that they will function satisfactorily with the available

water pressure. Water saving measures that are undertaken must be compatible with imperatives that the water supply and the sewage disposal systems must be safe and hygienic, and be capable of operating efficiently with only normal and reasonable maintenance.

A19.2 Thermal efficiency:

Designs for affordable housing must take cognisance of the need for the resultant dwellings to be thermally efficient.

A20 Relevance of the above Norms and Standards to the Peoples Housing Process

The Norms and Standards contained in this document also apply in respect of permanent residential structures constructed in terms of the People's Housing Process.

A21 Rural housing subsidies and informal settlements

The Norms and Standards contained in this document will not be mandatory in respect of dwellings and or projects that are developed in terms of the Rural Housing Subsidy Instrument or to the in-situ upgrading of informal settlements where township establishment and the installation of engineering services have not yet taken place.

B TOP STRUCTURE SPECIFICATIONS FOR THIS PROJECT :

The developer is to complete the following as applicable to this project :-

B1 PROJECT NAME :

B2 Size of top structures (gross floor area) : m²

B3 Foundations :

- * conventional concrete strip footings
(Note : not acceptable if geotechnical allowance given)
 - * raft foundation to Engineer's specification;
 - * raft foundation and pads to Engineer's specification;
 - * raft foundation and piles to Engineer's specification.
 - * Other :
- (* Delete / Fill in)

Note : If a geotechnical allowance has been given to the project, the Developer is required to provide a Geotechnical Certificate confirming conformance to the Geotechnical Engineer's specification for each new concrete/masonry superstructure house.

B4 Floors :

- * 100mm concrete surface bed (to minimum 20 MPa).
 - * Other :
- (* Delete / Fill in)

B5 Walls :

- * 150/90mm concrete block *(to applicable SABS standards)*
- * Other :
(Delete / Fill in)*

B6 Roof :

- * Fibre cement
- * Other :
(Delete / Fill in)*

B7 Doors

- B5.1 Internal : *
 - B5.2 External : *
- (* : Specify)*

I, (name) hereby warrant that the top structures to be constructed within this project will conform to the minimum Norms and Standards as contained in this document.

SIGNATURE:DEVELOPER

DATE