

D/SM 11/24

DEVIATION: APPOINTMENT OF PROFESSIONAL SERVICES FOR THE ESTABLISHMENT AND IMPLEMENTATION OF THE INSTITUTIONAL ARRANGEMENTS FOR THE ADAM TAS CORRIDOR PROJECT



MEMORANDUM

PLANNING & ECONOMIC DEVELOPMENT

CHECK BEFORE SUBMISSION	YES	NO
REGISTERED ON CSD DATABASE		
LETTER - SOLE SUPPLIER if applicable.		
QUOTE/INVOICE ATTACHED		
BUDGET (SAMRAS)		
CASHFLOW		
SIGNATURES		

Municipality - Munisipaliteit
Stellenbosch

26 JAN 2024

Office of the Municipal Manager
Kantoor van die Munisipale Bestuurder

To Aan: MUNICIPAL MANAGER
From Van: Craig Alexander
Job Title: Senior Manager: Development Planning
Date Datum: 16 January 2024
Re Insake: DEVIATION: PROVISION OF PROFESSIONAL SERVICES FOR THE ESTABLISHMENT, IMPLEMENTATION AND CONTINUOUS MONITORING AND EVALUATION OF THE INSTITUTIONAL ARRANGEMENTS AND PARTNERING SOLUTIONS FOR THE ADAM TAS CORRIDOR PROJECT – PROFESSIONAL FEE PROPOSAL FOR THE APPOINTMENT OF Western Cape Economic Development Partnership (“EDP”)

1. PURPOSE OF MEMORANDUM

To obtain approval in terms of Supply Chain Management Policy, to deviate from the official procurement process in terms of section 36 of the approved SCM Policy.

REASON FOR DEVIATION: (Mark with x where applicable)		
1.	Emergency. “ Emergency dispensation ” means emergency as referred to in paragraph 36(1)(a)(i) of this policy under which one or more of the following is in existence that warrants an emergency dispensation;	
	a The possibility of human injury or death;	
	b The prevalence of human suffering or deprivation of rights;	
	c The possibility of damage to property, or suffering and death of livestock and animals;	
	d The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;	
	e The possibility of serious damage occurring to the natural environment;	
	f The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;	
	g The possibility that the security of the state could be compromised; or	
	h The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal procurement process. Emergency dispensation shall not be granted in respect of circumstances other than those contemplated above.	
2.	Goods or services are produced or available from a single provider	
3.	Acquisition of special works of art or historical objects where specifications are difficult to compile.	
4.	Acquisition of animals for zoos and /or nature and game reserves	

NB! All deviations i.r.o the amount will be tabled at the BAC

2023/2024

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5.	Exceptional case and it is impractical or impossible to follow the official procurement processes	X
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2. SUBSTANTIATE WHY SCM PROCESS COULD NOT BE FOLLOWED (TO BE REPORT TO COUNCIL)

The Western Cape Economic Development Partnership ("EDP") was appointed by Western Cape Government ("WCG") and specifically the now retired Head of Department: Environmental Affairs & Development Planning ("DEA&DP"), Mr Pieter van Zyl to assist the Municipality to develop and realise the Municipality's Catalytic Project, the Adam Tas Corridor Project as contained in the 4th and the current 5th Generation IDP.

EDP was appointed in a letter dated 28 February 2021 by DEA&DP to assist the Interim ATC Steering Committee to perform the following tasks:

1. Design and facilitate a process to get stakeholder agreement on governance framework and partnering arrangements for the ATC Project, including vision, strategic objectives, core approach and shared obligations.
2. Recommend how the ATC Project's LSDF public participation process can support relationship building and stakeholder partnering arrangements.
3. Recommend interim partnering arrangements for lead projects and precincts.

The initial appointment period was for three (3) months, letter informing of the appointment of EDP attached as **Appendix 1**, but the appointment was extended by WCG until the funding for the project was ended.

It is further noted that EDP during this period assisted the Municipality to obtain buy-in from the major landowners within the ATC Study Area, which culminated in the signing of a Memorandum of Understanding ("MOU") and the establishment of the ATC Landowners Collective ("LOC"), the latter was endorsed by Council at its 7th Council Meeting dated 24 August 2022. EDP further assisted the Municipality to obtain buy-in from I&APs through the public participation process which ultimately resulted in the approval of the ATC Local Spatial Development Framework ("LSDF") and Development Guidelines at the 8th Council Meeting dated 26 October 2022 and ultimately the approval of the ATC Overlay Zone at its 14th Council Meeting dated 24 May 2023 and promulgated in the Provincial Gazette dated 17 November 2023.

During this period the funding for EDP from WCG has been ended, and a significant portion of the work to enable and implement the ATC Project was still ongoing. This phase of the work involved the Establishment and Implementation of the ATC Institutional Arrangements which was contained in the Overlay Zone, and it was further required that such institutional arrangements be implemented within three (3) months from the promulgation of the overlay zone, which occurred on 17 November 2023.

EDP as a public benefit collaborative intermediary organisation that supports diverse stakeholders to garner partnership to realise a collective impact and change, as provided the Municipality with an estimate for the next enablement phases of the ATC Project, at a hourly rate of R1500.00, excluding VAT with an estimated 422hours for the initial setup phases of the institutional arrangements, that will be followed by phases of continuous

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monitoring and evaluation, that may involve amendments to the partnering solutions and institutional arrangements, if required, copy of the estimated hourly rate and hours for the initial setup is attached as **Appendix 2**. It must be noted that EDP has clearly indicated in their proposal that a discounted rate will form be submitted to Council for billing purposes, as part of their contribution to realising the implementation of the ATC. Although the budget proposal make provision for Total Project Cost, it must however be noted that a project of this nature requires continuous monitoring and evaluation, and therefore the appointment of EDP must be rates based, with an estimated hourly rate of R1500.00 as per the proposal, attached as Appendix 2, which will include a discounted rate when billed. The Total Project Cost is just an indication of the budget to be spent during this financial year 2023 / 2024 for the initial setup, but the monitoring and evaluation work will continue for at least the 2024 – 2025 financial year, which may involve amendments to the partnering solutions and institutional arrangements, if required.

It is therefore impractical to undertake or follow official procurement processes, as the above motivation clearly show that EDP has performed the majority of the partnering work, and as also established trust relationship with the landowners in the ATC, stakeholders and all I&APs, which include PRASA, National Department of Public Works, and other SOE's within the ATC Study Area. EDP has also completed most of the phases through their appointment by WCG, and also the current requirement to achieve the three (3) month period as contained within the Stellenbosch Municipality Zoning Scheme Bylaw, 2023 (as amended) further substantiate the impracticality to follow an official procurement process.

It is further noted that EDP as a collaborative intermediary organisation has also indicated in writing that the work, although provided a hourly rate of R1500.00 and this rate will be further discounted, which would be to the benefit of the broader Stellenbosch Municipality and its residents.

3. BACKGROUND

The ATC Project was contained in the 4th and 5th Generation IDP as a catalytic initiative with the vision of

- Restructuring and transforming Stellenbosch Town, using existing underutilised assets in a manner to benefit all and address critical needs;
- Establishing a process and plan which gives certainty and sufficient flexibility to accommodate the unknown while enabling a "Starting through staring, learning by doing and using small steps to inform the next" methodology.;
- Broadening opportunity for a range of stakeholders, while accommodating varying readiness and material means; and
- To place Stellenbosch in the heart of the most important urban development project in the country today.

Although, the MSDF has defined ATC as a catalytic initiative, and a lot of previous visioning work which has been completed by both the public and private sector, a need was identified by Council to provide planning guidance in terms of the detailed desired nature and form of development within the ATC area. It is thus envisaged to achieve the key outcomes from the preparation of the LSDF, the following must be included within the LSDF:

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- Achieving a unified spatial concept and framework for the area, which has been engaged upon with key stakeholder groupings;
- Providing an enabling framework to guide decision-making on land use applications in line with the intended imperatives such as Transit-Orientated Development, Live-Work-Play, Spatial Transformation (including inclusionary housing and implementation projects and proposals of Stellenbosch Municipality's Restructuring Zones, etc);
- Identifying key lead actions and / or projects necessary to enable development in line with the agreed vision and concept for the ATC area;
- Identification of infrastructure requirements and funding mechanisms to enable development of areas that have been prioritised.

This emanated in a process to compile a LSDF, which was approved and adopted by Council at its 8th Council Meeting dated 08 October 2022. The compilation of the LSDF was outsourced to Built Environment Partnership ("BEP") and the public participation process and further approval was performed in-house with the assistance of EDP.

Council also at its 7th Council Meeting dated 24 August 2022 endorsed "*that the Municipal Manager be a signatory to the Memorandum of Understanding ("MOU") for the Establishment of the Adam Tas Corridor Landowners Collective,...*" It is further noted that the signing of the MOU was in accordance with the decision taken by Council, which authorised the Municipal Manager to explore Public-Private Partnership to realise the implementation of the ATC project, and has part of the endeavour to further support the realisation of the project, the WCG appointed the Western Cape Economic Development Partnership ("EDP"), who have pioneered establishing partnering solutions for catalytic projects throughout the Western Cape Province to assist with exploring the possible partnering solution to best fit the ATC Project.

It is further noted that on 24 May 2023, Council at its 14th Council Meeting approved and adopted that ATC Overlay Zone, which was then promulgated in the Provincial Gazette on 17 November 2023 as an inclusion within the Stellenbosch Municipality Zoning Scheme Bylaw, 2019 (as amended 2023). The provisions contained within the amended bylaw required the following:

- "(29) To enable the coordination demanded to achieve the stated overall intent for the Adam Tas Corridor Overlay Area between landowners, the Municipality, and other stakeholders, the Municipality and landowners will **establish , and maintain dedicated institutional arrangements** to support the Municipality in exercising its responsibility in **managing the uptake and implementation of development parameters** envisaged in the Adam Tas Corridor Local Spatial Development Framework and contained in this Chapter.
- (30) The **Institutional mechanism** referred to in (29) above will be **established within three (3) months after the proclamation of the Adam Tas Overlay Zone** and according to a structure with **Terms of Reference as approved by Council**. The institutional mechanism **will include** the establishment of a **Project Management Unit ("PMU")** who will assist the Municipality with the implementation of the ATC.



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- (31) *The purpose, composition and functioning of the Institutional Mechanism will be described in the Terms of Reference as approved by Council and as may be amended from time to time.*

The above is the basis for the further work that must be undertaken by EDP to finalise the enablement work for the ATC Project.

4. DISCUSSION

EDP has performed the majority of the partnering solutions work, and it would be therefore best placed to continue and finalise the work. EDP's work was predominantly funded by DEA&DP from February 2021 until recently, as put a lot of effort into realising the project, and has also used their own donor funding to see this project realise.

5. FINANCIAL IMPLICATIONS

The hourly rate of R1500.00, excluding VAT was quoted by Western Cape Economic Development Partnership ("EDP") in a letter dated 10 January 2024, with an estimated 422 hours estimated for the 2023 / 2024 financial year to ensure that the institutional Arrangements are established. The hours quoted however does not include the continuous monitoring and evaluation beyond the initial setup, therefore provision will be made for this crucial phase during the 2024 – 2025 financial year. It must be noted that the billable hours and submission of invoices must include the agreed discounted rate of the billable hours, which discount will be borne by EDP. The budget will be paid from Ukey: 20220630077850, which currently has an available budget of R912 803.00, and any further budget provision has been included for the 2024 / 2025 financial year.

6. RECOMMENDATION

- 6.1 That the BAC supports the approval of the Deviation to the Accounting Officer in order to appoint the Western Cape Economic Development Partnership to undertake the Professional Services for the Establishment and Implementation of the Institutional Arrangements for the Adam Tas Corridor Project on a rates-based contract, at an hourly rate of R1500.00, excluding VAT for the current financial year until the 2024 – 2025 financial year.
- 6.2 That the BAC further take note of the billable hours for the duration of this contract, will be also contain a further discount, as agreed by the Western Cape Economic Development Partnership.

7. VALUE FOR MONEY (OTHER RATES/VALUES)

The ATC Project is a catalytic initiative that is the "Start of Stellenbosch's emerging Urban Transformation District with the Vision of creating an Integrated Urban development Corridor that is Liveable, Safe, Resource-efficient, Socially Integrated, Economically Inclusive and Globally Competitive, in which all its citizens can actively participate, and the initial partnering work as already yielded results by achieving that the Phase 1 for Newinbosch, which is one of the first developments in the Corridor, has sold out its inclusionary housing units, thereby achieving the vision of ATC, which is further embedded in policy and regulations.

8. IT IS RECOMMENDED THAT:



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8.1 That the BAC supports the appointment of the Western Cape Economic Development Partnership on a rate-based contract for the financial years 2024 – 2025 financial years, at an hourly rate of R1500.00 (excl VAT) to perform the function of the providing the Professional Services for the Establishment, Implementation and Continuous Monitoring and Evaluation of the Institutional Arrangements and Partnering Solutions for the Adam Tas Corridor Project; and

That Western Cape Economic Development Partnership include that the billable hour rate of R1500.00, excluding VAT, is subject to a further discount in respect of such claimed billable hours, as agreed in their proposal.



Craig Alexander Pr Pln
Senior Manager: Development Planning
Planning & Economic Development

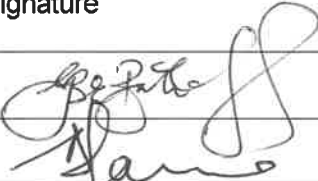
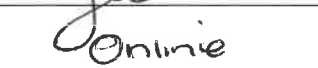
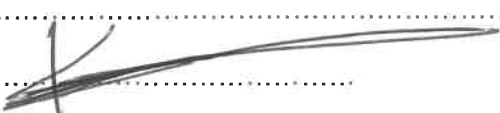
Date: 17/01/2024

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7. SUPPLY CHAIN MANAGEMENT COMMENTS:

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8. APPROVAL:

REQUEST SUPPORTED / NOT SUPPORTED BY THE STELLENBOSCH MUNICIPAL BID ADJUDICATION COMMITTEE		
Name	Signature	Date
GARY BOSPOFF		26/1/2024
Dalhel Jawh		26/1/2024
A de Beer	Online	26/1/24
A Barnes	Online	26/1/24
S Chandaka	Online	26/1/24
Comments:		
CHAIRPERSON..... 		DATE 26/01/2024
RECOMMENDATION FROM BID ADJUDICATION COMMITTEE APPROVED BY THE ACCOUNTING OFFICER		
Comments: This is a catalytic project and requires a specialised service, given EDI involvement at the start of project the WC government they place to continue.		
ACCOUNTING OFFICER..... 		DATE 26/01/2024

APPENDIX 1



Dear Adam Tas Corridor Steering Committee Members

During 2018-2019, before the onset of the COVID-19 pandemic, the various Stellenbosch stakeholders developed the Adam Tas Corridor (ATC) Project to a point where there was:

- Significant support from the initial project partners, including the Stellenbosch Municipality, Western Cape Government, Distell, Remgro, Stellenbosch University and the Stellenbosch Institute for Advanced Studies (STIAS). The partners documented corporate decision-making processes and established an Interim ATC Steering Committee (SteerCom) in 2019 to support the co-visioning, co-planning, co-development and integrated delivery of the ATC Project.
- Some understanding of the nature and extent of development possible in the corridor to meet national and local settlement development objectives and the nature and cost of infrastructure required to serve development.
- Formal policy support and Municipal Council approval for the project as a "catalytic project" and incorporation into the Stellenbosch Municipality's Integrated Development Plan (IDP) and Municipal Spatial Development Framework (MSDF) in November 2019.
- Innovative approaches that emerged related to aspects of the development, including sustainable ways for the provision and maintenance of public facilities such as schools.

During the second half of 2020, Stellenbosch Municipality appointed the BEP Consortium to develop a Local Spatial Development Framework (LSDF) and Implementation Plan for the ATC, supported by a Municipal task team and the Western Cape Government to direct and manage the LSDF preparation. The Municipality must now take the ATC LSDF and Implementation Plan into a formal statutory and public participation process, in accordance with the Stellenbosch Municipal Land Use Planning By-law 2015 and the Stellenbosch Zoning Scheme By-Law 2018.

The BEP Consortium's draft LSDF was completed in September 2021. The LSDF proposals portray – in words, diagrams, and tables of quantities – what could happen where in the ATC area, to what extent, and in what form to meet agreed settlement development objectives. In addition, it also indicates how the authorities could service development and phase development where infrastructure is available for planned development. The LSDF also shows the potential impact and how the land use and services plan will allow environmental care and advance economic growth.

In August 2021 the BEP Consortium made a presentation in Stellenbosch to a strategic thinktank engagement of the private sector and academia representatives of the ATC SteerCom. There was generally a positive response to the draft proposals. It was agreed that post the municipal elections in November 2021, and early in 2022, Hannes van Zyl and I should meet with the Stellenbosch Municipality's Executive Mayor and Municipal Manager to start exploring possible institutional arrangements and an implementation framework to move the project forward. A very productive meeting took place on 10 February 2022.

It has now been agreed that Andrew Boraine and the Economic Development Partnership (EDP) [see <https://wcedp.co.za/>] should assist the SteerCom with the following aspects during the next 2-3 months:

1. Design and facilitate a process to get stakeholder agreement on a governance framework and partnering arrangements for the ATC Project, including vision, strategic objectives, core approach and shared obligations.
2. Recommend how the ATC Project's LSDF public participation process can support relationship building and stakeholder partnering arrangements.
3. Recommend interim partnering arrangements for lead projects and precincts.

Further details about this process will be communicated shortly. Western Cape Premier Alan Winde has also expressed support for this stakeholder partnering process.

I have to inform you that I will be retiring from my position as Head of Department of Environmental Affairs and Development Planning at the Western Cape Government at the end of February 2022. I will be out of the country on a three-month sabbatical, in the USA, between March and May and I have asked Hannes van Zyl to act as the Interim Chairperson of the ATC SteerCom during this period. Upon my return, I plan to play an active role in the ATC Project once again.

Please note my new email address: pietersvanzyl@gmail.com.

Kind regards



PIET VAN ZYL
INTERIM CHAIRPERSON
ADAM TAS CORRIDOR STEERING COMMITTEE
DATE: 28 February 2021

APPENDIX 2

Budget: Adam Tas Corridor Phase 2

6 Dec 2023

Background

The project, “Partnering for Adam Tas Corridor: Supporting the establishment of a Project Management Unit and associated Steering Committee”, builds on Phase One of the joint project between Stellenbosch Municipality (SM) and the Western Cape Economic Development Partnership (EDP). It aims to further support implementation of the Local Spatial Development Framework and Overlay Zone, which have both been approved by Council since inception of Phase One.

In Phase One (Apr 2022 – Jan 2023), the EDP

- 1) Supported collaboration and knowledge of the ATC within municipal departments, and between the municipality and prominent landowners along the ATC Corridor.
- 2) Researched and clarified various options of institutional arrangements (some of which had been set out in prior projects focusing on ATC)
- 3) Set out possibilities for a Special Ratings Area
- 4) Instituted and chaired a ATC Landowners Collective, comprised of the eight largest landowners and the Municipality, represented by a range of officials cover its role both as regulator and landowner
- 5) Concluded the Phase by proposing options for a Project Management Unit supporting the interests of the Landowners Collective and the broader public interest.

In Phase Two, the EDP aims to further support ‘partnering for implementation’ of the LSDF and Overlay Zone, by enabling a transparent and fair process that supports the Municipality in its multiple roles as landowner, regulator and protector of the public interest. The EDP will

- 1) Facilitate the inception of an Adam Tas Corridor (ATC) Steering Committee comprising of a balance of municipal officials and other stakeholders,
- 2) Support this Committee to set up a Project Management Unit within Stellenbosch Municipality, and assist with finalising the relationships between the PMU, Steering Committee and the Municipality
- 3) Support the PMU with inception, troubleshooting any start-up challenges.

Please see the inception report (attached) for more information.

The EDP and the Municipality have agreed to the following project deliverables as part of the inception process, held in August 2023. The Municipality on 30 November committed to using some of the existing municipal funding for the ATC project to support 50% of the cost of the EDP’s deliverables.

Project Deliverables: Details

Task
Project management General project management Reporting to the Client Team Contracting & Management Ad hoc requests from client and other parties
Inception Report & Project Plan Initial draft Team meeting to firm up, debrief Revisions & finalisation of plan Inception meeting (ext) Final report to client based on feedback
Deliverable 1: Establish a joint ATC Steering Committee Legal framework - consultation to ensure in alignment with the MFMA Convene ATC Landowners Collective meeting possibly without SM Draft ToR/Constitution for PMU SC Call for nominations: candidates from muni, LOC and Province Approach potential members for participation and finalise membership Host SteerCo formation meeting Support 4 ±monthly SC meetings and ongoing monitoring and troubleshooting
Deliverable 2: Support the drafting & signing of an MoU between SM, the SC, PMU and the Landowners Collective Roles and responsibilities of the PMU, incl between the muni and the PMU Draft MoU, including 1) the stakeholder engagements which can ask for reports, and input, and 2) the priority projects Review by muni Review MoU with SteerCo at formation meeting, and EDP to finalise with support from external provider
Deliverable 3: Support the SteerCo to oversee establishment of PMU Define a terms of reference for a Programme Manager of the Project Management Unit, including the minimum & preferred requirements Set out a process for the recruitment & selection of the PMU Programme Manager Session with Municipality (including HR) then Landowners Collective to finalise Support the municipality to advertise and recruit the PMU Manager (this should be undertaken according to the municipality's processes, by muni staff, overseen by SC supported by EDP)
Deliverable 4: Support PMU Programme Manager with initial set up

Support PMU to draft a workplan including budgets and financing over a three year period, renewable Hire any assistants or additional staff required (EDP in support role) Troubleshoot start up challenges, in an advisory capacity Support PMU to initiate strategic projects, including ATC East/West link, NMT & mass transit, river rehabilitation, schools
Deliverable 5 (own EDP budget): knowledge product Paper on collaborative governance models of mixed use developments, or similar
Reporting & close-out Draft close out report based on client inputs Present report to client Final report to client based on feedback

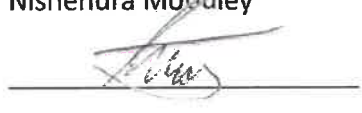
Project Deliverables: Cost

Project Deliverables	Hourly rate (Rands)	Hours	Total Costs (Rands)
Project management	1500	100.83	151250
Inception Report & Project Plan	1500	43	64500
Deliverable 1: Establish a joint ATC Steering Committee	1500	83	124500
Deliverable 2: Support the drafting & signing of an MoU between SM, the SC, PMU and the Landowners Collective	1500	44.17	66250
Deliverable 3: Support the SteerCo to oversee establishment of PMU	1500	46.833	70250
Deliverable 4: Support PMU Programme Manager with initial set up	1500	76	114000
Reporting & close-out	1500	27.5	41250
Total Project Deliverables costs excl VAT			632000
Stellenbosch Municipality's contribution			316000

**note (total costs are rounded off to the nearest rand amount)*

Signed

Name: Nishendra Moodley Designation: CEO

Signature: 

Date: 10 January 2024 Place: Cape Town