



**BRICK MAKING**  
**POVERTY ALLEVIATION PROJECT**  
**BUSINESS PLAN**  
**2005**  
**MALUTI A PHOFUNG LOCAL MUNICIPALITY**

## TABLE OF CONTENTS

1. INTRODUCTION
2. FEASIBILITY STUDY
  - 2.1 Background
  - 2.2 Production Process
  - 2.3 Technology
  - 2.4 Land
3. PROJECT IDEA
  - 3.1 Purpose of the Project
  - 3.2 Objectives
  - 3.3 Project Site
  - 3.4 Strategy
4. BUSINESS SYSTEM
  - 4.1 Operational Model
  - 4.2 Management Committee
  - 4.3 Training
  - 4.4 Monitoring
  - 4.5 Financial Management
5. STAKEHOLDERS
6. MARKET
  - 6.1 Competitor Analysis
7. FINANCE
8. Current Status
  - 8.1.1 Beneficiaries
  - 8.1.2 Operational Model
  - 8.1.3 Challenges for the Project
  - 8.1.4 Recommendation
9. Project Cycle Management
10. CONCLUSION

## **1. INTRODUCTION**

The programmes Committee resolved that the Brickmaking business plan should be split so that it can be able to relate to each Municipality as the situation in the two Municipalities is different. This business plan will therefore relate to the situation of Maluti a Phofung Local Municipality. A concept paper was initially developed and has been able to deal with a number of issues that have been covered in the business plan. The purpose of the business plan will therefore not be to fundamentally depart from the initial work that has been done but will be more to put things in proper perspective and also to relate to issues that might have changed since the initial document was conceptualised. To this end this report will cover the following issues:

- The current state of affairs in as far as the project is concerned.
- The current challenges the project is facing.
- Provide recommendations that will ensure that the project is implemented in line with the Project Management Cycle document of the Free State Youth Commission.

## **2. FEASIBILITY STUDY**

### **2.1 Background**

The Programmes Development Officer and Researcher: Demographics were tasked with the updating of the information on the feasibility study. The purpose of the exercise was to ensure that the Business Plan is able to relate to the current conditions and plans of the Municipality and provincial government departments as so much time has lapsed since the initial document was conceptualised. To this extent a meeting was convened with senior Managers of

the Municipality to source information that will be able to be used as a tool to determine whether on it's basis the project will still be sustainable once it has been implemented. Secondly it was to establish whether the initial commitment to assist with the implementation of the project that was given by the stakeholders is still applicable.

The other objectives of the study were to:

- Formulate a reasonable report for the implementation of this project;
- Enable good human resource planning for the project;
- Facilitate the resource allocation process; and
- Enable the Unit to identify possible sites, markets, and partners for the implementation of this project.

## **2.2 Keys to Success**

In order to ensure success, the project will have to strive to achieve the following goals:

- Maximum production of bricks as per the capacity of the machine
- Effective marketing of the bricks, and also availability of markets, particularly through the procurement systems of municipalities.
- Good and proper management of financial and human resources.

## **2.3 Production Process**

### **2.3.1 Materials**

#### **2.3.1.1 Cement**

Cement should comply with SABS EN 197-1. Strength class should be 42,5N or higher because the concrete must develop strength as rapidly as possible. Note that it is illegal to sell cement that does not bear the SABS mark.

### **2.2.1.2 Aggregates**

Sand and stone are used for most block productions.

Clinker or hard-burnt ash often contains harmful impurities and should not be used as aggregate unless it is found to be acceptable by laboratory test. Good quality clinker can be used instead of sand or stone but blending with sand or stone may be necessary.

Sand and stone are fragments of rock and differ only in size. Sand particles will pass through a sieve with 4, 75 mm square openings while stone particles will not.

All aggregates should be clean and not contain organic matter such as roots or humus. If the aggregates contain clay it should be in a very small fraction.

The following aggregates may be considered:

- Fine sand with particles mainly smaller than 1 mm: pit, fine river or dune sand
- Coarse sand with the biggest particles approximately 5 mm in size: crusher, pit or coarse river sand
- Stone with a maximum size of 13 mm for bricks or solid blocks or 10 mm for hollow blocks

It is normally possible to make blocks with coarse sand on its own. Alternatively combination of the following aggregates may be used:

- A blend of coarse sand and fine sand
- A blend of fine sand and stone
- A blend of fine sand, coarse sand and stone

For small-scale production, the best aggregate or combination of aggregates is normally found by trial and error. Information on a more scientific approach is given.

### **2.2.1.3 Water**

Water that is fit for drinking is suitable. Most river and borehole water may be used.

### **2.2.2 Production**

All the processes that are indispensable for a production of good quality bricks will be adhered to during the actual production of bricks. These processes and principles will be entrenched into the beneficiaries (trainees) during training. Certain aspects on processes that will be looked at includes, inter alia:

- **Batching** – this is to ensure that the aggregate is well drained. This process must be supported by storing the different aggregate types separately and by ensuring that the material is protected from rain so as it remains dry before being mixed with the cement, thus avoiding to exceed the optimal moisture content (OMC).
- **Mixing** - Following the batching, the aggregates together with the binder, as well as pigment if, required, are discharged into a mixer and thoroughly mixed before any additional water is added. Once properly mixed, water will be added to the mixture to bring it to OMC. Uniformity will be ensured because differences in water content from batch to batch will result in differences in quality. The effect of pigmentation will not be overlooked. The mixture is stored in the hopper ready for dispensing into the moulds.

- **Filling of moulds** – During mixing, variations in density will result if the gauged quantities are not consistent or the mixture is not uniformly distributed within the mould. Over and above these variations are due to variations in moisture content. This undesirable situation is prevented by the filling the moulds.
  
- **Compaction** – This is another step to enhance the quality and durability of the blocks. Good compaction can be effectively achieved for blocks that are less than 80mm.
  
- **Curing** – the quality of concrete blocks is improved by water curing. This process is also intended to protect aesthetic of the blocks by preventing the migration of calcium hydroxide to the surface of the blocks. Curing can be effected in one of the three ways:
  - i) *Moisture retention*
  - ii) *Steam curing, and*
  - iii) *Thermal curing.*

### 2.3 Technology

Although the project is designed in a good spirit of alleviating of poverty, it does not seek to achieve this goal by compromising quality and standard of both houses and roads through a production of poor quality products. The project is also designed to ultimately become a profit generating business.

To prevent the undesirable situation of low quality bricks, a Service Provider has to be appointed to provide training to the beneficiaries and this training must be supported by necessary material conditions (e.g. good technology) to enhance the quality and quantity of products.

Guided and informed by these realities, it is important that resources are mobilised to access appropriate machinery and technology necessary to achieve the desired production in quality and quantity. Following the guidance of the experts in this field the following machines were recommended as appropriate for the project:

### **Machinery 1**

- PMSA VB1 static type block making machine with 7.5kW twin shaft vibrator and 11kW power pack, with hydraulic mould, tamper, feed box and pallet feed with magazine with main and previbration timers and frequency control of main vibration
  
- Tamper vibrator for making paving blocks
  
- PMSA V300 turbine mixer with 7.5kW drive, with loader skip, 3kW drive complete with switch panels
  
- Mixer stand with platform, ladder, railing, and mixer loader rail extension
  
- 12m long roller conveyer with stand
  
- Mould box and tamper to make 18 interlock pavers 200 x 100 x 80mm
  
- Mould box and tamper to make 17 interlock pavers 200 x 100 x 60mm
  
- Mould box and tamper to make 27 standard bricks
  
- Mould box and tamper to make 14 maxi bricks
  
- Mould box and tamper to make 390 x 190 x 140mm hollow blocks

- 1000 timber pallets 760 x 760 x 32mm thick, laminated plywood for paving

## **Machinery 2**

- Mechanical UNI
- Three meter Roller Conveyer on adjustable stands
- PMSA V200 turbine pan mixer with 7.5kW drive. With loader skip, 3KW drive complete with panels.
- Mould boxes and tampers to make: 8 maxi brick, and 10 interlock pavers
- Tamper vibrator for making paving blocks
- Mixer stand with platform, ladder, railing, and mixer loader rail extension
  
- 12m long roller conveyer with stand
  
- Mould box and tamper to make 18 interlock pavers 200 x 100 x 80mm
  
- Mould box and tamper to make 17 interlock pavers 200 x 100 x 60mm
  
- Mould box and tamper to make 27 standard bricks
  
- Mould box and tamper to make 14 maxi bricks
  
- Mould box and tamper to make 390 x 190 x 140mm hollow blocks
  
- 1000 timber pallets 760 x 760 x 32mm thick, laminated plywood for paving

Both these machineries will provide a technological capacity required to undertake the production processes. The processes must be complied with, as this will ensure better capacity for the project to supply the required quantity and

also quality of bricks for the municipalities and other markets. It is on this basis that the mode of production for this project will be both capital and labour intensive. The difference between the two machineries is the first one produces more and at a much faster rate as compared to the second machinery.

## **2.4 Land**

It is important that there is enough land for brick production, as the size of the land will determine the number of bricks produced per day. The site also has to have enough water supply because brick production requires a lot of water, and there also has to be access to electricity. In selecting a site, consideration should be given to location, access, ground slope and size. Each of these is discussed below.

### **2.4.1 Location**

The location should be considered in relation to:

- Supply of raw materials
- Market for products
- Location of the labour force
- Security of the area
- Availability of services, i.e. roads, water, sewerage, electricity, etc.

### **2.4.2 Access**

The site must be accessible to trucks delivering aggregates and cement and collecting finished products.

### **2.4.3 Ground slope**

Ideally, the site should be level or nearly so. Steep slopes make handling and production difficult. Terracing a steep slope is expensive.

#### **2.4.4 Size**

The site should be big enough for aggregate stockpiles, cement storage, production (slab or stationary machine) block stacking, staff facilities, an office and on-site access.

### **3. PROJECT IDEA**

#### **3.1 Purpose of the Project**

The purpose of the brick-making project is to firstly equip young people with skills to enable them to make bricks, and secondly to provide young people with the opportunity to start a business that can generate income, and therefore enabling them to alleviate poverty in order to sustain their livelihoods. It is also envisaged that this project will equip them with entrepreneurial skills, and as such they will be able to use them to contribute effectively in the economic development of their area and as they develop further in their lives it will help them to become responsible members of society who will contribute immensely in the development of their communities and themselves.

#### **3.2 Objectives**

- To establish youth brick making companies that specialises with pave-bricks for street paving and bricks for low cost housing.
- To accelerate a process of job-creation in the Maluti a Phofung Local Municipality.
- To enable young people to contribute in the infrastructure and economic development of their area.
- To generally reduce the statistics of youth unemployment in the Municipality.
- To enhance the participation of young people into mainstream economy.

- To improve the quality of life of young people in Maluti a Phofung.

### **3.3 Project Site**

The Qwa Qwa area in Maluti a Phofung Local Municipality has been targeted because it is one of the areas that are stricken by poverty in the province and there is a high level of unemployment amongst the youth.

### **3.4 Strategy**

The overall objective or purpose of the project is to make a significant contribution in alleviation of poverty amongst young people through transfer of necessary skills that will enhance their employability and promote their economic participation.

Amongst other principles of effective youth development adopted by the FSYC, one is that every programme should first identify exit opportunities for beneficiaries before it can be acknowledged as a youth development programme. The strategy is two fold, first is to provide young people with skills, and secondly to assist them in setting up a business for their livelihood.

## **4. BUSINESS SYSTEM**

20 beneficiaries have been identified for the project and when they are viewed collectively they represent the Maluti a Phofung Local Municipal area. In their appointment, issues of gender balance and disability were taken into consideration, however due to the nature of the project it was very difficult to find disabled beneficiaries to be part of the project. This was in the main informed by the fact that the project is very much labour intensive and could, by the nature of the work involved, exclude people with certain disabilities.

## **4.1 Operational Model**

The project will start as a Poverty Alleviation Project for the first 12 months but it will ultimately be a business concern where all the 20 beneficiaries will have an equal share. It is therefore imperative that it is registered as a business entity in terms of the applicable legislation of the Republic of South Africa. It is on this basis that a Production co-operative will be registered with the Registrar of co-operatives.

## **4.2 Management Committee**

For the co-operative to be able to operate optimally there needs to be a management structure that will look at the day-to-day activities. There is no unique model for co-operative management, and members of each Co-operative can decide on what will be the best way to satisfy the management needs of their co-operative. The Co-operatives Act fixes some rules of the management structures of the co-operatives. Others are flexible and each co-operative can define them in its own by-laws or constitution. When deciding on the Co-operatives Management Structure it is important to remember that:

- A co-operative is essentially an economic organisation and to succeed it needs good organisation.
- Management in the co-operative must be democratic, participatory and accountable.

The Management Structure of a Co-operative and its functions depend on the size and type of the co-operative and the regulations of the Co-operatives Act and on the Co-operatives own by-laws. There are four Management Structures of the Co-operatives each with its own pros and cons and they are: a Co-operative Management by all members, Co operative Management by the Board and Members, Co-operative Management by a Manager, a Board and Members and Co-operative by a Manager, Board, Members and Departments. Due to the nature of the project the suitable Management Structure is a Co-operative by Manger, Board, Members and Departments. The choice of this model is

informed by the fact that this will be a production co-operative, which will be producing bricks. It is important that there structure is able to relate to the various departments that will be involved like production department, quality control and sales and marketing.

### **Co-operative Management by a Manager, Board, Members and Departments.**

This is type of the management structure that is applicable mostly to production co-operatives or those that have multiple and complex tasks. Their tasks will be the following:

#### **The General Manager**

- Shall be responsible for the day to day running of the co-operative.
- Report back to the Board of Directors.
- Implement decisions taken by the board.
- Decide on the use, organisation and management of resources such as finances, personnel and facilities.
- Manage, control, lead, and direct staff.
- Responsible for budget, purchasing, production, marketing and staff relations.

#### **Board of Directors**

- Oversee and direct the affairs of a co-operative.
- Control and monitor all activities of a co-operative.
- Liase with local community structures.
- Report to members regarding status and development of co-operative.

#### **Chairperson of the Board of Directors**

- Act as the spokesperson of the Board of Directors.
- Chairs meetings of the Board.
- Represent the board at occasions where it is not possible for the full Board to be present.

### **Secretary**

- Organises meetings of the board.
- Keeps records and minutes of the board.
- Handles correspondence.

### **Treasurer**

- Responsible for the finances of the co-operative.
- Give financial reports to members.

### **Members**

- They are highest decision makers.
- Oversee the entire functioning of a co-operative.
- Take strategic decisions.
- Appoint the Board of Directors.

### **Departments**

- Bookkeeping and finance.
- Reception.
- Administration.
- Production.
- Quality control
- Sales and Marketing etc.

### **Steering Committee**

The Steering Committee will be the overall body of authority during the Poverty Alleviation phase of the project. It will be convened by the Free State Youth Commission and constituted by the Municipality, beneficiaries through the Chairperson, Secretary, Treasurer and Manager of the Management Committee representing the beneficiaries, departments of Labour, Public Works, Local Government and Housing, Construction Seta and the District Municipality. The

Steering Committee will meet quarterly to evaluate the progress and the challenges of the project.

### **4.3 Training**

The Department of Labour in the Thabo Mofutsanyana will come on board as a stakeholder to provide training to the beneficiaries. To this effect the office has already recommended the following courses to their Provincial Office:

- Brickmaking
- Concrete handling
- Basic Business Skills

The office has also recommended other courses that are believed to be essential in ensuring that the beneficiaries are equipped with the necessary skills to ensure that they are able to manage the project effectively. The courses that have been recommended to add on to the other courses are:

- Business Management
- Paving and Slab laying / kerb layer
- Paving, slab laying and concrete laying.

There are also other institutes and institutions that can assist with training and these are the Cement and Concrete Institute, the Pan Mixer South Africa, and HOLCIM.

### **4.4 Monitoring**

It is important that the project has effective and efficient monitoring systems, as these will allow for proper implementation of the project. The General Manager will be the Site Manager and report to the board, and all the beneficiaries will report to the General Manager in carrying out their daily operations at the site.

The General Manager will in turn report to the Board, and the board will report to the Youth Development Officer and the LED Manager and the Youth Commission and this reporting would be done on a monthly basis. There will also be regular shareholder meetings to keep all the other shareholders abreast of the management of the projects, and these meetings would be held on a weekly basis with members on site.

The Youth Commission would then facilitate quarterly meetings with all other stakeholders identified, and the purpose of the meetings would be to discuss the progress of the projects and to also plan, and the Chairperson, Secretary and Treasurer of the Board and the General Manager would form part of these quarterly meetings.

#### **4.5 Financial Management**

Proper financial management systems need to be put in place so that there could be effective management of resources. It is therefore important that the Board of Directors together with the FSYC and the Municipalities assist in the development of proper management systems. Secondly there must be a code of conduct and policy that will regulate all issues that relates to the operations of the project that should be developed with the beneficiaries. Once a Co-operative has been registered it will be able to appoint an auditor who will handle their finances in terms of the Co-operatives Act.

### **5. STAKEHOLDERS**

For the effective implementation of the project the following stakeholders were identified.

### **Free State Youth Commission**

- Shall be responsible for the facilitation of commitments by all stakeholders.
- Shall be responsible for monitoring and evaluation of the implementation programme.
- Shall be responsible to identify and secure market for the project.
- Shall lobby for the buy in of the project at all levels.
- Shall be responsible for the co-ordination of the project.

### **District and Local Municipalities**

- Shall be responsible for the provision of land and all related services for the implementation of the project.
- Provide resources for skills development and training.
- Secure market for the project through Local Procurement System, which is favourable to the previously disadvantaged individuals and particularly the youth.
- To provide regular update to the Commission on the types of infrastructure development projects the Municipalities will be undertaking at any given time that may require low cost bricks.

### **Department of Public-Works**

- To create and provide markets for the project through favourable procurement systems.
- To provide regular update to the Commission on the infrastructure programmes that the Department will be undertaking in the two Districts where the project will be implemented that may require low cost bricks.

- To provide a list of service providers on a regular basis who received tenders in the two Districts in as far as housing and structural development is concerned.
- Assist with the accreditation of the programme with the relevant SETA.
- Assist with the marketing of the project.
- Provide in other form of assistance, which may be necessary in the successful implementation of the project.

### **Department of Local Government and Housing**

- Shall perform the same responsibilities as the Department of public works.

### **Construction SETA**

- To provide technical training and mentorship to the programme as well as quality assurance on the materials produced.

### **Department of Labour**

- To provide training to the beneficiaries.
- Continuously monitor the training programme of the beneficiaries and where necessary recommend and implement new training programmes.

### **District and Local Youth Units**

- To assist with the identification of beneficiaries.
- To perform any other duties which are similar to those of the Free State Youth Commission.
- To provide any other form of assistance that may be relevant in the implementation of the project.

## **6. MARKETS**

The proposed project is a youth poverty alleviation project that seeks to empower young people to gain access to economic opportunities offered by their Municipality through developmental and economic initiatives. Having analysed the extent of the infrastructure backlog with regard to housing and roads development, it was evident that the demand for paving blocks and bricks for low-income housing is huge in the Maluti a Phofung Local Municipal area. But the study also shown that the market is very hostile for the emerging businesses as the markets in this industry seems to be monopolized by the big and well-established business that produces good quality bricks at very large quantities. The advantage however with this project is that the Municipality, which is the major player in housing and infrastructural development sector, is a stakeholder and has already committed itself to supporting the project.

An interview with Spatial Planning and Housing, Local Economic Development and Municipal Infrastructure Directorates revealed a high effective demand for a type of bricks to be produced in the envisaged project. According to a Municipal official in the Spatial Planning Directorate, the following developments were scheduled for the current financial year (i.e. 2005/6):

- 700 People's Housing Project (PHP) in Qwa Qwa and Harrismith
- 993 Housing Project for Tshiame B
- 1000 Rural Housing Project in Qwa Qwa
- 1150 Rural Housing Project in Qwa Qwa

Further revealed the developments in the next three financial years to be as follows:

- 1000 Project linked houses in Tshiame
- 400 Project linked houses in Mandela Park
- 1500 Project linked in Intabazwe
- 500 Units for Social Housing Project

- 150 Units for Intabazwe Hostel Upgrading

Assuming that an area is 50m<sup>2</sup> and 40m<sup>2</sup> (including a toilet) for PHP and low-cost houses respectively as mentioned by the subject, then one could safely assume that for this financial year an effective demand for bricks in Maluti-a-Phofung Local Municipality for two developments is as follows:

- $700 \times 4\,700 \text{ (gem)} = 3\,290\,000$  bricks for PHP in Qwa Qwa and Harrismith
- $993 \times 4\,700 \text{ (gem)} = 4\,667\,100$  bricks for Housing Project in Tshiame B
- $1\,000 \times 4\,700 \text{ (gem)} = 4\,700\,000$  bricks Rural Housing in Qwa Qwa.
- $1\,150 \times 4\,700 \text{ (gem)} = 5\,405\,000$  bricks Rural Housing in Qwa Qwa.

Adding all specified demands per development, the total effective demand for the envisaged bricks is 18 062 100 bricks for all housing developments collectively in only one financial year.

Moreover the Director in Municipal Infrastructure section revealed that there is more demand for bricks from the envisaged infrastructure development projects. According to Municipal Infrastructure Grant Project Planning Schedule, the Municipality will spend R32 074 642.31 on infrastructure projects that will specifically require bricks to be produced in the project for this financial year.

According to the schedule, there will be a steady increase on infrastructure spending for the next three years by the Municipality, meaning that there will be a potential market for bricks over this period. Based on these facts it is clear that there is a huge demand for the materials that will be produced at the project even though there is a stiff competition from the established brick making companies there is still a room for new company to emerge in the industry and claim its stake particularly with support of the identified stakeholders.

## **Competitor Analysis**

According to the officials of the Municipality, there are only two suppliers of good quality bricks in the area (Lancaster and Block Pave), but their supply does not meet a high effective demand within a specified period, to an extent that at some point the time schedule of development project is compromised. This initiative would be appropriate; not only to achieve the ideals of Local Economic Development, but also to ensure service delivery at the desired rate as it will ensure that there is compatibility between demand and supply. It will also bring in the healthy and necessary competition within the sector.

## **7. FINANCE**

When developing a budget, a number of factors had to be considered and amongst them were the following:

- Land
- Room or shade for the storage of raw materials
- Production Materials
- Machine
- Water facilities, including pump, pipes, taps.
- Stipend for the beneficiaries
- Salary for the Manager and 3 head of departments
- Truck Rental for the delivery of products
- Security at the project site
- Borehole development
- Repairs and maintenance

## **8. CURRENT STATUS**

### **8.1 Project Site**

The Municipality has availed an adequate piece of land for the project. The site was previously used by a private company for manufacturing of bricks and paving blocks. As the site was still used for brick making purposes there is a necessary infrastructure in place like offices and toilets and there will not be any need for any further other development on the site except a shade for putting the bricks under after they have been manufactured. The site is situated next to the main road and less than 1kilometer from the major intersection of Qwa Qwa. It is within the vicinity of the industrial area and is generally compatible with adjacent land use. There is only one gate used as both entry into and exit from the site and enough surface area to allow vehicles to manoeuvre, especially in case of delivery of sand stone and other raw materials for production. As already mentioned that a site was previously used for the same business purpose, and therefore infrastructure as it relates to water, sanitation is available and the site is very much accessible.

### **8.2.2 Brick-making Machine**

The Municipality had initially budgeted R500 000 for the purchase of the machine for the project but after interaction with the Local Economic Development Manager the Municipality increased the amount to R1million. The Municipality called for the submission of tenders from the prospective service providers in order to be able to procure the machine but the cheapest tender that was received was R1, 2 million which led to the Municipality to refer the matter to the Tender Committee for finalisation. The Tender Committee has eventually awarded a tender for the procurement of the machine to

### **8.2.3 Beneficiaries**

20 beneficiaries have been identified for the project and collectively they represent all areas that constitute Maluti a Phofung Local Municipality. 10 beneficiaries were identified in Qwa Qwa, 4 in Kestell and 6 in Harrismith. There

was a fair balance in gender when they were appointed and the population size of the areas was also taken into account.

The Municipality has paid for the training of the beneficiaries, which was conducted by “Twin Peak based in Qwa Qwa although the training is not accredited by any institution. It was a two-phased training. The first part was theoretical training and the second phase will be an on site training which will resume once the project is operational.

#### **8.2.4 CHALLENGES FOR THE PROJECT**

The Municipality has been able to address all the issues that were holding the implementation of the project. At this stage all the issues have been addresses but the stipend for the beneficiaries might be a challenge as the Municipality’s Director of Local Economic Development indicated that the tenders received exceeded the initial budget allocation. This might mean that the Municipality may not be able to pay stipend to the beneficiaries.

#### **8.2.5 RECOMMENDATIONS**

- That the Commission interacts with the Municipality to include Youth as part of the designated group in their Preferential Procurement Policy.
- That the Commission interact with the Municipality to secure market for the products by ensuring that the service providers who are involved with the Municipalities Development Projects that will require products that are produced by the project purchase at least 50% of those materials from the project.
- That the Commission interacts with the Municipality around the issue of the payment of stipends for the beneficiaries as the Municipality has budgeted R1 million for the project and all of it will be used for the purchase of the machine.

- The date for the launch of the project be finalised with the Municipality once the service provider has delivered the machine.

## **11. PROJECT CYCLE MANAGEMENT**

The Free State Youth Commission adopted the Project Management Cycle as a set of logical processes that allows Programmes Officers and Programme Development Managers to develop and manage a project from the beginning to the end. It is also an important tool for the staff, management and EXCO of the Free State Youth Commission that outlines best practises for institutional integrity.

The brick-making project like any other programme of the Free State Youth Commission needs to be implemented in line with the processes as outlined in the Project Management Cycle document of the Commission. The Project Cycle Management document outlines the steps and processes that the project should follow so that it can be able to operate smoothly at the implementation phase. The brick making project in Maluti a Phofung has been through various stages of the Project Cycle Management and at the moment the project is at stage four.

The Municipality is currently finalising the purchase of the machine from the service provider. There is also a memorandum of understanding that is still to be signed between the Municipality, Free State Youth Commission and other stakeholders where after the project will enter the implementation phase followed by the monitoring and evaluation phase, the monitoring step will ensure that the project is implemented accordingly and all other issues that relate to the project are dealt with at the level of the steering committee. The steering committee chaired by the Free State Youth Commission will be the overall body of authority on the monitoring and evaluation phase of the project.

## **12. CONCLUSION**

The project on brick making is a labour intensive one and would need full commitment of beneficiaries in ensuring that they meet the targets on a daily basis for them to generate enough profit. However once the beneficiaries have received sufficient and required training they would have minimal technical challenges for them to achieve the desired target. It is evident from the assumptions made that the project would enable young people to participate in the economic development of the Municipality and that of the province. In the process they will equip themselves with skills while they generate income. If this is achieved the project would have been able to achieve its desired goal.

## References

1. Brick Making Business Plan, 2002-2003, Free State Youth Commission
2. Cement and Concrete Institute, [www.cnci.org.za](http://www.cnci.org.za)
3. Project Cycle Management Document, Free State Youth Commission