

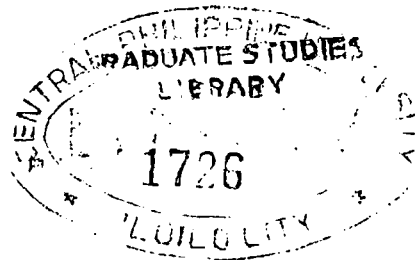
**A PROJECT FEASIBILITY STUDY ON “BACAS” TRISICAD RENT-TO-OWN  
BUSINESS IN THE MUNICIPALITY OF BANATE**

**A Special Paper**

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## CHAPTER I

### INTRODUCTION

#### The Problem and Its Background

With an area of 11,886 hectares, the beautiful coastal town of Banate is about as big as Iloilo City, but the comparison stops when, 50 kilometers away from the provincial capital, one sees hectares and hectares of land planted with rice, sugarcane, vegetables, beans, coconuts and bananas. Banate has 18 barangays and a population of 24,932, as of 2001, Banate, is a 5<sup>th</sup> class municipality.

Based on record, 1,056.68 hectares of its agricultural land are irrigated, while its 1,770.62 riceland annually produce 40,566 cavans. Its coconut plantation produces 1,729 tons per year, while its 384 hectares fishponds contribute much to the town's annual income of P5 million.

Commerce, trade and tourism is active in Banate. It has 200 sari-sari stores, 20 rice retailers, 10 rice wholesalers, two (2) rice mills /warehouses, 5 hard wares, 5 lumberyards, 150 beer retailers, 200 cigarettes retailers and three (3) gasoline stations. It also has 20 public utility jeeps, 60 triscads and 100 motorized tricycles.

The Banate Public Market is one of the highest earning municipal markets in the province of Iloilo (COA PAO Record 2000). Modern communication, information and entertainment facilities are also within its people's reach. Its education facilities include two (2) public high schools, ten (10) public elementary school and the Iloilo State College of Fisheries (ISCOF).

There are several projects being implemented in the town. One of the big projects town is the on-going renovation of the public market fronting the national road and the newly-built municipal hall.

The progress of a municipality may be attributed to many factors such as spontaneous trade boom, strong support from the national government, or the concerned support given by the NGO's and the residents.

Last 1997 an association was organized by a group of Banatenhons who happened not only to be neighbors, friends, and family members. The association was called "BANATE COMMUNITY ASSOCIATION", (BACAS) an Ilonggo term, which means "STRIVE".

Like most organizations, associations, and even foundations, "BACAS" keeps track of the events (not only) in the municipality and is active in the activities that promote the socio-economic and political environment of the town. In its operation, it directly or indirectly supports the further growth of the town through the administration's unrelenting vigilance for progressive, creative, productive and peaceful community. Its principal aim is to provide livelihood and employment to a big number of Banatenhons. The association has thought of an easy and practical business which can be managed by the association members and the residents of the community. The association during their first quarter meeting for the year 2000 decided to put up a "TRISICAD-RENT-TO-OWN" business. The target renters/owners are those who are unemployed and/or self-employed, most particularly those "estambays"(idle). These people are always look upon by the community as adversaries and threat to society. The "BACAS" members have observed, that the "triscad" is considered as one of the major

transports within the town proper and to and from nearby barangays. The members of “BACAS”, further noted that this means of transport is very affordable to the majority and can be supportive of the nation’s campaign to “SAVE GAS and ENERGY” and “POLLUTION FREE ENVIRONMENT”.

In putting up a triscad business, some of the factors to be considered are : materials needed, the plant and garage, equipment and tools, safety controls and operations and the personnel and the renters/owners.

#### Materials Needed

The materials needed are: a single bike and side car. The bike may be purchased assembled or unassembled. The side car on the other hand, can be personally assembled by the “BACAS” members or this can be contracted out to a person who assembles sidecars.

#### Plant and Garage

The plant and garage will be under the control of the association. The managing officer, shall prepare and recommend the necessary plans , indicating the specific activity or additional work to be conducted in the garage, expected not hazardous and a nuisance to neighboring residents. The plant and garage structures shall be big enough to provide sufficient space for the “triscads”, sanitary and safety operations.

#### Equipment and Tools

All equipment and tools shall be installed and maintained properly to facilitate the assembly, cleaning and repair and maintenance of the “triscad” units.

### Safety Controls and Operations

The renter/operators shall have adequate knowledge about safety controls and measures in the day-to-day operations of the “triscads”. The maintenance personnel must inspect the units prior to their dispatch. The renter/owner must be encouraged to make an honest report of the condition of the units he handles. Parts needed for the repair and replacement shall be monitored and as much as possible, must be available all the time.

### Personnel

The management shall take measures regarding against accidents. There should be provision for cleanliness, training and supervision of “triscad” driver/renter-owner. Responsibility for assuring compliance by all renter/owner, personnel and members of the association with all the requirements shall be clearly assigned to a competent supervisor and member/personnel of “BACAS”.

### Objectives of the Problem

This feasibility study seeks to determine the profitability and viability of the “TRISICAD-RENT-TO-OWN” business in Banate.

Specifically, this study will seek to answer the following questions:

#### 1. Marketing Aspect

- a. Does the “triscad” have a strong demand in the town?
- b. In terms of quality and durability, is the design appropriate to the user’s needs?
- c. How much will a ride cost?

- d. Who are the prospective customers and users.

## **2. Management Aspect**

- a. Who are the persons responsible for the management of the association's project?
- b. What are the qualifications needed for the member and renter/owner to be admitted or considered by the association?
- c. What is the ideal rate of compensation if ever for member-employees of the association?
- d. What are the techniques that can be adapted in order to avoid breach of contract in the flow of the proposed project?

## **3. Technical Aspect**

- a. What are the materials needed for the assembly of a "triscad" unit?
- b. What tools and equipment are used in assembling "triscads"?
- c. Where is the possible location of the project's plant and garage?

## **4. Financial Aspect**

- a. How much capitalization is needed to start the business?
- b. How much is the expected income to be earned after the first year of operation?
- c. How long will it take to recover the investment?

## **5. Socio-Economic Aspect**

- a. How can the business help the economy of the town?
- b. Will the riders have enough funds to pay for their fares?