**Derby City Council: Asset Valuations**

**INVITATION TO TENDER**

**REFERENCE: TD1903 (DN621652)**

**PART THREE**

**SPECIFICATION**

Please Note: This specification forms an integral part of the contractual arrangements and provides the criteria by which service quality, efficiency and effectiveness will be monitored and evaluated by the Contracting Authority and other interested parties.

Derby City Council is seeking to appoint valuers to undertake Asset Valuations.

1. **INTRODUCTION AND CONTEXT**

1.1.1 The asset valuations of selected assets are required on an annual basis. The Supplier is required to carry out valuations to be included within the balance sheet of The Council's material property assets scheduled for valuation in the particular financial year, which will include those required annually plus an element to reflect the Five-Year Rolling Programme.

1.1.2 The Council requires Asset Valuations to be undertaken for both the Commercial and the Residential Portfolios:

• The Commercial requirements are detailed in section 3.1

• The Residential requirements are detailed within section 3.2

1.1.3 The purpose of this exercise is to provide accurate and well-reasoned valuations to ensure that the figures included within the accounts are materially accurate as at the 31 March being the limit of the financial year in question.

1.1.4 The valuations must be undertaken within the parameters set out within the following:

• The Code of Practice on Local Authority Accounting in the United Kingdom

• Guidance Notes for Practitioners – 2015/16 Accounts (Chartered Institute of Public Finance & Accountancy (CIPFA) 2015) or later as amended.

• RICS Professional Standards Global (January 2014) or later as amended

• RICS Professional Standards UK (January 2014), revised April 2015, or later as amended.

• Department for Communities and Local Government, Stock Valuation for Resource Accounting, Guidance for valuers – 2016 or later as amended – this document only applies to the Residential Portfolio as set out below at section 3.2

1.1.5 The valuations must be carried out within the scope of the Councils adopted Valuation Policy and Guidelines as set out within their Valuation Manual, which is subject to annual amendment, see 2.4.1.

1.1.6 All valuations are to be carried out by RICS members who are included within the Registration Scheme; this may involve other non-Registered Members but must always be signed off by a Registered Valuer under the RICS Registration Scheme.

1.1.7 All valuers are expected to adhere to the Council's safeguarding policies detailed in Appendix 2.

* + 1. The contract period shall cover the three year period, namely as follows:

|  |  |
| --- | --- |
| Financial Year | Year of Contract |
| 2022-23 | Year 1 |
| 2023-24 | Year 2 |
| 2024-25 | Year 3 |

* + 1. The “Live Period” of the contract is to run each year between the time the new annual instructions are provided by the Council of both the Commercial Programme and Residential Lists until such time as the satisfactory delivery of the valuations. This period is referred to within section 2.4 – REPORTING/ CONTRACT MONITORING.

1.1.10 The Council has a diverse range of properties (fixed assets) within its commercial portfolio (circa 1400), including, schools, shops, community facilities, offices, libraries, leisure facilities, parks, car parks and other hereditaments.

The residential portfolio comprises around 13,000 Council dwellings, in the Main Housing Stock (Work Area 1) plus around 170 PFI schemes (Work Area 2) and around 100 properties which are leased out or shared ownership (Work Area 3)

1.1.11 Local Authorities are required by statute to produce accounts in accordance with the accounting practice specified in the Code of Practice on Local Authority Accounting in the UK. A key component of the Council’s accounts is the inclusion of the valuation of the Council’s Fixed Assets.

The Council require Asset Valuations to be undertaken for both the Commercial and the Residential Portfolios.

 Please note, there may be a requirement to add / remove assets within the year to reflect changes of ownership, together with structural alterations.

1. **LOTS**
	1. **LOT 1 Commercial Portfolio**

The core of the Council’s Asset Valuation Programme consists of a 5 year rolling programme, whereby approximately 20% of the stock is valued each year. In addition, annual valuations are to be undertaken for all those classified as investment, surplus properties or properties held for sale (IFRS 13). Further valuations are also undertaken on properties whereby substantial capital expenditure has been incurred during the financial year. A schedule of the analysis of the commercial portfolio together with Indicative Five Year Programme is included at Part 6-Pricing Schedule Tab C.

* 1. **LOT 2 Residential Portfolio**
		1. Work Area 1 Main Housing Stock (WA 1)

Valued each year using the Beacon Approach, which currently stands at 108.

A complex excel sheet is currently in place to enable these 108 valuations to be inserted and the variants are able to adjust the beacons to ensure a reasonable assumption is made to formulate a value to each of the total number of properties listed.

* + 1. Work Area 2 PFI (WA 2)

These are currently standing at 172 schemes and require valuing each year using 19 Beacons.

* + 1. Work Area 3 Leasehold Housing (WA 3)

These currently stand at around 100 assets and are valued on a rolling programme over the next five years.

* + 1. Work Area 4 New Build & Acquisitions (WA 4)

These vary each year although normally stand at around 60 new or existing properties and are acquired sometimes in a block from a developer or on the open market which will have RICS Red Book Compliant Valuations in place for ratification. These therefore will normally be desktop based for the supplier to provide.

1. **COMMERCIAL – CORE REQUIREMENTS**
	* 1. The Provisional Indicative Programme for the next five years is included within Part 6 -The Pricing Schedule Tab C.
		2. This comprises the following elements in order to ensure sufficient valuations have been carried out year on year to fulfil that the overriding definition included within section 3.1.1 is complied with. The elements comprising as follows:
2. Assets to be valued in accordance with IFRS 13
3. Assets undergoing ownership changes or structural alterations (this can be subject to change in year)
4. Other assets seen to reflect a sample of the whole commercial portfolio, emphasis given to any classifications or categories seen to be particularly volatile which can reflect market forces or other elements used in carrying out that particular valuation. This may include shifts in construction costs for instance used in DRC approach
5. Additional assets seen to warrant review (may be desktop or full review) as a result of the valuations carried out under paragraph c above
6. The Valuation Date of 31 March 2023 is to be adopted for Year 1 and similar shall be adopted for Years 2 & 3; certain assets shall use a Valuation Date of 31 December 2022 for Year 1 and similar for Years 2 & 3.
7. As a guide it is anticipated that the Council expect to review valuations on at least a 20% element of the overall commercial portfolio each year; with the overall aim that all assets shall be reviewed at least every 5 years.

**Please note that the overall programme may be subject to change within each current year as the need arises**

* + 1. The Supplier shall provide the following in each year, Years 1, 2 & 3:
1. **Individual Valuation Reports** detailing the valuation of each asset within the yearly programme

b**. A Master Spreadsheet**, summarising the key data which will enable the relevant data to be uploaded into the Councils financial property system. An indicative template is included at Appendix 3.

c. **A Valuation Summary Report** – this report will

1. Describe the work that has been undertaken in year and
2. Set out the value of the Council’s portfolio and highlight any necessary changes in value from previous years
3. Include a market review to identify movement in values that might result in carrying amounts not being materially accurate at the balance sheet date. This could be movement in year or between years.

 d. **Overriding Valuation Report** will be required to confirm that there are no material changes to the values submitted between the 31 Dec 2022 and 31 March 2023

e. **Componentisation advice** will be required in accordance with the CIPFA Guidance together with the Council’s Valuation Manual.

* + 1. In addition to the four areas of work as set out above in 2.2.3, in each year of the contract; specifically in Year 1 the Council requires the Supplier to provide a high-level overview similar to the Valuation Summary Report. The purpose of this report is to ensure that the Indicative Programme selected for Year 1 is adequate to identify any movements in values that might result in carrying amounts not being materially accurate at the balance sheet date. This Report should specifically set out to identify any classifications of assets that are seen to be volatile or likely to warrant review in Year 1. Therefore, this will identify classifications that warrant being dealt with as a priority to ensure that should the need arise, to carry out further valuations within that particular classification, the timetable for delivery to still met.

It is understood that the Supplier will be required to carry out this review based upon valuations that have been carried out by other third parties.

* + 1. In order to undertake the Asset Valuations in accordance with 3.1.3 and 3.1.4 above, the details as set out below should be ascertained by the Supplier:
	1. The subject of the valuation should be determined, notably to identify if for instance in a specialised asset, items of plant and equipment may require to be excluded from the property valuation if already accounted for in the balance sheet.
	2. The interest to be valued.
	3. The basis of value - more specifically where the use of the Depreciated Replacement Cost (DRC) method is appropriate.
	4. The type of property and how it is used or classified by the Council. The Supplier will need to establish how the asset is used and that this use is to continue.
	5. The Useful Economic Life of all assets under review should be determined
		1. The Council will endeavour to provide wherever possible, however any omissions shall be obtained by the Supplier:
* Floor Plans
* Site Plan
* Tenancy schedules where applicable
* Gross Internal Area (GIA) or Net Internal Area (NIA) areas, as International Property Measuring Standards (IPMS) areas have not as yet been adopted; this policy for adoption of IPMS will be reviewed annually by the Council as the RICS programme is rolled out.

	+ 1. Additional consideration must be given, and clarified in respect of the following:
1. Disclosure of any material involvement, or a statement that there has not been any previous involvement
2. Any assumptions, special assumptions, reservations, special instructions or departures
3. The extent or limit of the Suppliers investigations
4. Information relied upon by the Supplier, such as construction costs for the specialised assets
5. Consent or restrictions on publication
6. Any limits or exclusions of liability to parties other than the Council
7. Confirmation that the Supplier has the knowledge, skills and understanding to undertake the valuation competently
	* 1. Where appropriate provide an apportionment of value for land and buildings
		2. Ensure that the valuation framework underpinning the various classifications of local authority non-current assets are followed
		3. Ensure that information underpinning fair value (IFRS 13) measurements such as the valuation techniques used, the inputs to those valuation techniques used and any judgements made is clearly documented in order that the disclosure requirements for fair value measurements can be met.
	1. **RESIDENTIAL – CORE REQUIREMENTS**
		1. The Supplier will be required to prepare asset valuations of residential assets in the following four main categories, notably:
8. **Work Area 1 -** Housing Stock Valuation
9. **Work Area 2** - Housing Private Finance Initiative (PFI)
10. **Work Area 3 -** Leasehold Housing Property
11. **Work Area 4 -** Acquisitions, New Build and other asset valuations

 The Supplier will be responsible for all data inputting, reconciliation, and data management in the production of all reports.

 The Council will permit the Supplier to use UK House Price Index calculated by the Office of National Statistics to rebase valuation data, however no other house price index is permitted.

 Valuation Reports for 2022-23 Housing Revenue Account asset valuation programme will be made available to Suppliers on request and on a strict confidentiality basis.

These four Residential Work Areas are covered in detail below: -

* + 1. **Work Area 1 (WA 1) -** **Housing Stock Valuation**
1. The basis of valuation used to determine these values is Market Value measured using Existing Use Value Social Housing (EUV – SH) at the Valuation Date 1 April 2022 for Year 1 and similar for subsequent years.
2. The Council has chosen to use the Beacon Approach
3. As at 01/04/2022 the Council’s Housing Stock comprised of some 12,539 Council dwellings, for which 108 Beacons were adopted.
4. the steps set out within the DCLG Guidance shall be followed notably concerning the inspections together with the collection and recording of data for the Beacons, within Chapter 4

Each year, the Supplier will be required to deliver to the Council the following reports, information and supporting calculations: -

1. Housing Stock Valuation Report for each Beacon. A Red Book compliant report estimating the value of the Council dwellings as at 01 April 2022 for Year 1 and similar for Years 2 & 3
2. Projected opinion of values at the financial year end (Year 1 being 31 March 2023 and similar for Years 2 & 3) together with a calculation of revaluation gain or loss
3. Land and Buildings split
4. Estimated life of the housing stock (host structures)
5. Beacon valuations prepared in accordance with the DCLG Guidance
6. Spreadsheet showing the asset groups/Beacons and detailed valuation calculations and adjustments applied to each group
7. Spreadsheet (as provided by the Council) showing the individual valuations for each of Council’s dwellings (12,539 as at 01/04/22) in the Council’s housing stock, once populated by the Supplier by inserting the Beacon Valuations at the prescribed cells will allow the formulae to run the individual valuations using the variants as set up.

	* 1. **Work Area 2 (WA 2) - Housing Private Finance Initiative (PFI)**
8. The Council requires annual revaluation of its PFI dwellings in accordance with Chapters 11 DCLG Guidance
9. The Council currently owns the freehold interest in 172 PFI dwellings which are leased to a Registered Provider on long peppercorn leases. In accordance with IFRIC 12 the Council is required to include the value of the Service Concession in its financial statements. In 2021-22 there were 19 Beacon properties within this category.
10. For year 1 of the contract, the valuation date is 31 December 2022 plus a projected opinion of value as at 31 March 2023. Similar dates will be adopted for subsequent years of the contract.

Each year, the Supplier will be required to prepare and produce to the Council the following report/s, information and supporting calculations: -

1. Housing PFI Valuation Report. A Red Book compliant report estimating the value of the Council’s PFI dwellings as at the valuation dates
2. Land and Buildings split
3. Calculation of revaluation gain or loss
4. Estimated life of the housing stock (host structures) of new and of refurbished stock
5. Spreadsheet showing the detailed valuation calculations and adjustments
6. Spreadsheet showing the individual valuations for each of Council’s dwellings (172 as at 31/3/23) in the Council’s PFI stock.
	* 1. **Work Area 3 (WA 3) - Leasehold Housing Property**
7. The Council requires annual revaluation of its Leasehold Housing Property in accordance with Chapters 8 DCLG Guidance
8. The Council has in the region of 120 HRA assets which are leased out (or in) and which must be accounted for in accordance with IAS 17.
9. The Supplier will be required to prepare (or review) in the region of 25 of these assets each year.
10. The Valuation Dates in Year 1 will be 31st December 2022 and with a projected opinion of value as at 31 March 2023. Similar dates will be adopted for subsequent years of the contract.

 Each year, the Supplier will be required to prepare and produce to the Council the following report/s, information and supporting calculations: -

1. Leasehold Housing Property Valuation Report. A Red Book compliant report estimating the value of the authority’s Leasehold Housing Property as at the valuation dates
2. Land and Buildings split
3. Estimated life of the housing stock (host structures)
	* 1. **Work Area 4 (WA 4) - Acquisitions, New Build and other asset valuations**
4. The Council requires annual revaluation of a number of HRA assets in accordance with Chapters 2 of DCLG Guidance
5. These comprise a small number of HRA assets which have been newly acquired or built ***In Year*** and have missed the cut off date to be accounted for in the Housing Stock Valuation.
6. There are also a small number of housing assets which do not fall into the above categories including: -
7. Assets under Construction
8. Asset Held for Sale
9. Surplus Assets
10. Hostels
11. Extra Care facility
12. Travellers permanent site
13. Park Homes site

It is anticipated the Supplier will be required to prepare (or review) in the region of 60 asset valuations annually.

Each year, the Supplier will be required to prepare and produce to the Council the following report/s, information and supporting calculations: -

1. Red Book compliant valuation report/s estimating the value of as at the valuation dates
2. Land and Buildings split
3. Estimated life of the housing stock (host structures)

Valuation Dates, for ease of reference and clarity for all the four Work Areas, are shown below; basically except for WA 4, there will be an Initial Valuation Date, then subsequently the actual Valuation Date to be adopted within the accounts using uplift and set out within an Overriding Valuation Report.

|  |  |  |
| --- | --- | --- |
| Year | Work Area | Valuation Date  |
| Year 1 | 1 | 01 April 2022 and 31 March 2023 |
| Year 1 | 2 | 31 December 2022 and 31 March 2023 |
| Year 1 | 3 | 31 December 2022 and 31 March 2023 |
| Year 1 | 4 | 31 March 2023 |
| Years 2 & 3 |
| Valuation Dates for Years 2 & 3 will be on similar lines |

* + - 1. **IR35 (INTERMEDIARIES LEGISLATION) OFF PAYROLL WORKING**
	1. The Council believes that IR35 is not applicable to this requirement. However, if it becomes apparent that there needs to be a review of the employment status of this requirement, then the Successful Bidders shall co-operate with and assist the Council in reaching a decision if IR35 is applicable, which shall rest with the Council.

**5. IMPLEMENTATION / CONTRACT TIMETABLE**

|  |  |
| --- | --- |
| Financial Year | Year of Contract |
| 2022-23 | Year 1 |
| 2023-24 | Year 2 |
| 2024-25 | Year 3 |

**5.1 LOT 1 COMMERCIAL**

The timely delivery of reports is critical to enable the information to be included within the accounts. The Supplier shall accord with the timetable as set out below

|  |
| --- |
| **LOT 1 COMMERCIAL** |
| **Year 1 Supplier Delivery Dates** |
| **Task Required** | **Outcome** | **Deadline Delivery Date to the Council by the Supplier**  |
| Initial Valuation Summary Report |  | As soon as practical after the start of the Contract |
| Valuation Reports  | Submission of all Draft Reports  | By 25 November 2022 |
| Master Spreadsheet | Including the Draft Reported figures | By 25 November 2022 |
| Master Spreadsheet | Including the Final Reported figures | By 09 January 2023 |
| Valuation Reports | Final Reports  | By 31 January 2023 |
| Valuation Summary Report |  | By 31 January 2023 |
| Componentisation Advice |  | By 31 January 2023 |
| Overriding Valuation Report  | Written confirmation that no material change has occurred to the valuations between 31 December 2022 and 31 March 2023 | 07 April 2023 |
| **Years 2 & 3** |
| Delivery Dates will be on similar lines |

**5.2 LOT 2 RESIDENTIAL**

The timely delivery of reports is critical to enable the information to be included within the accounts. The Supplier shall accord with the timetable as set out below

|  |
| --- |
| **LOT 2 RESIDENTIAL** |
| **Year 1 – Supplier Delivery Dates** |
| Work Area  | Valuation Reports  | Delivery Date to the Council by the Supplier  |
| Work Area 1 | Final Reports using Valuation Date of 01 April 2022 | By 25 November 2022  |
| Work Area 1 | Separate Summary Report giving a projected an opinion of valuation gain or loss to Valuation Date of 31 March 2023 | By 07April 2023 |
| Work Areas 2 & 3 | Draft Reports using Valuation Date of 31 December 2022 | By 25 November 2022 |
| PlWork Areas 2 & 3 | Final Reports using Valuation Date of 31 March 2023 | By 09 January 2023 |
| Work Area 4 | Final Reports using Valuation Date of 31 March 2023 | By 14 April 2023 |
| Work Areas 1, 2, 3 & 4 Overriding Valuation Report  | Written confirmation that no material change has occurred to the valuations between 31 December 2022 and 31 March 2023 | 07 April 2023 |
| Years 2 & 3 |
| Delivery Dates for Years 2 & 3 will be on similar lines |

The Council will issue the Supplier with details of the valuations required, as set out below. It is likely that a small number of additional valuations may be added within each for Work Areas 3 & 4.

Work Area 4 generally is being assembled right up to the end of each Financial Year, so this complete list maybe subject to amendments right up to the deadline, and therefore the delivery date may be subject to reasonable adjustment accordingly.

|  |
| --- |
| **LOT 2 RESIDENTIAL** |
| **Council Issue Dates** |
| Financial Year | Year of the Contract | Valuation Lists for Work Areas 1 & 2 issued to Supplier | Valuation Lists for Work Areas 3 issued to Supplier | Valuation Lists for Work Areas 4 issued to Supplier |
| 2022-23 | Year 1 | Start of the Contract | 30 September 2022  | Mid-March 2023 |
| 2023-24 | Year 2 | 31 July 2023 | 30 September 2023 | Mid-March 2024 |
| 2024-25 | Year 3 | 1. July 2024
 | 30 September 2024 | Mid-March 2025 |

* + 1. The Supplier will be responsible for the training and all aspects of Health & Safety of its own employees whilst undertaking duties, pursuant to the delivery of this Service and should provide details of their Lone Worker’s Policy in the responses.
		2. The Supplier must be prepared to justify including provide evidence of their valuation inputs to the Council’s internal and/or external auditors, if requested.
1. **SERVICES**
* Generally during office hours to be available for discussions, however subject to 5 working days’ notice to be available for virtual or face to face meetings should such be deemed appropriate for the timely delivery of the work stream.
* The current DCC Auditors require a 3 working day turnaround of audit queries, which DCC in turn would expect to be delivered as appropriate.
1. **WORKING METHODS AND CODES OF PRACTICES**
* Bidders method statements are requested in Part Five Quality Response

**• The Code of Practice on Local Authority Accounting in the United Kingdom**

**• Guidance Notes for Practitioners – 2021/22 Accounts (Chartered Institute of Public Finance & Accountancy (CIPFA) 2021) or later as amended.**

**• RICS Professional Global Standards (effective January 2022) or later as amended**

**• Department for Communities and Local Government, Stock Valuation for Resource Accounting, Guidance for valuers – 2016 or later as amended – this document only applies to the Residential Portfolio as set out below at sections 2.3 above.**

It is the responsibility of the Successful Bidder to actively meet the requirements of the Equality Act 2010 and the Council’s responsibilities under the Public Sector Equality Duty by paying due regard to:

* eliminating discrimination, harassment, and victimisation and any other conduct that is prohibited by the Equality Act
* advance equality of opportunity
* foster good relations between people who share a relevant protected characteristic and those who don’t.

Having due regard means the Successful Bidder needs to:

remove or minimise disadvantages suffered by people due to their protected characteristics:

* take steps to meet the needs of people with certain protected characteristics where these are different to the needs of other people
* encourage people with certain characteristics to participate in public life or in other activities where the participation is disproportionately low.]

The Council also expects the Successful Bidder to:

capture effective data collection on employees and service users and analyse these statistics

* produce equality impact assessments on policies, procedures and services that may have an impact on service users or the service as a whole
* provide one or more equality objectives at least every four years

The Duty and this specification requires the Successful Bidder take into account disabled people’s impairments, when making decisions about policies and services, as the law recognises that disabled’s people’s needs may be different from the needs of non-disabled people. This might mean making reasonable adjustments or treating disabled people better than non-disabled people to meet their needs.

All staff employed by the Successful Bidder will recognise and respect the religious, cultural and social backgrounds of service users in accordance with legislation and local and national good practice.

The Successful Bidder will ensure that it has access to appropriate translation services/resources to enable equity of access and understanding.

The Successful Bidder will recognise and make provision for cultural and religious needs such as prayer time and specific food preparation (eg Halal).]

1. **QUALITY AND PERFORMANCE STANDARDS**
	1. Please provide details of the quality assurance process in relation to the provision of the Valuation Reports (VR) for both Lots 1 and 2 as set out below – see Section 5
	2. The Supplier shall ensure their team is provided with and attends training reasonably necessary for the delivery of the Contract and to enable it to provide services in compliance with the relevant policies and procedures of the Council.
	3. The Supplier shall ensure that RICS CPD requirements are complied with to maintain chartered status of their team.
	4. **Lot 1 Commercial**
		1. The Supplier shall submit reports to include as a minimum the following content (as set out within VPS3 of the Red Book) and are listed below.
		* Identification and status of the valuer (being the Supplier)
		* Identification of the client (being the Council) and any other intended users
		* Purpose of the valuation
		* Identification of the asset or liability to be valued
		* Asset number quoted in full (five digits include 0 where appropriate)
		* Basis of value - more specifically where the use of the Depreciated Replacement Cost (DRC) method is appropriate.
		* Valuation date
		* The interest to be valued
		* The subject of the valuation should be determined, notably to identify if for instance in a specialised asset, items of plant and equipment may require to be excluded from the property valuation if already accounted for in the balance sheet.
		* The type of property and how it is used or classified by the Council. The Supplier will need to establish how the asset is used and that this use is to continue.
		* Nature and source of the information relied upon
		* Restrictions on use, distribution or publication
		* Confirmation that the assignment has been undertaken in accordance with the IVS
		* Valuation approach and reasoning
		* Amount of the valuation or valuations, including land and building split together with useful economic life IFRS13 FV
		* Hierarchy Level & componentisation data (value analysis split structures/mechanical & electrical /externals)
		* The Useful Economic Life of all assets under review should be determined

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8.4.2 The report shall include additional items:

* + - A statement of the valuation approach
		- A statement that the valuer (The Supplier) has the knowledge, skills and understanding to undertake the valuation competently
		- The opinions of value to be shown in figures and words
		- A signature and date of the report
		- A statement that compliance with the Red Book may be subject to monitoring under the RICS conduct and disciplinary regulations
		- Current photograph including date
		1. The Supplier carrying out inspections of certain properties, which will be identified when the list is provided each year, will need to ensure that pre-employment checks have been provided for Disclosure Barring Service (previously Criminal Records Bureau) which are detailed at Appendix 2.
		2. It is assumed that the properties are not adversely affected by environmental issues (specifically flooding, mining subsidence/ contaminated land/ radon risk/asbestos) and the final report should be worded accordingly. This approach should only be adopted if the Supplier, having carried out the valuation exercise, has no evidence to the contrary either historically or current. If the Supplier has any reason to suspect properties are affected by any of these issues, they should note to this effect with a recommendation to the Council that the necessary specialist advice be obtained.

It is understood that where appropriate any environmental checks (desk top reports only) shall be provided as an appendix to each report.

* 1. **Lot 2 Residential**
		1. The Supplier shall submit Final Summary Valuation Reports to include as a minimum the following content (as set out within VPS3 of the Red Book) and are listed below.

**It is understood that some of the details as set out below could be included as an overriding statement covering all relevant entries populated within a spreadsheet to reflect the volume of entries involved.**

* Identification and status of the valuer (being the Supplier)
* Identification of the client (being the Council) and any other intended users
* Purpose of the valuation
* Identification of the asset or liability to be valued
* Basis of value
* Valuation date
* Extent of investigation
* Nature and source of the information relied upon
* Restrictions on use, distribution or publication
* Confirmation that the assignment has been undertaken in accordance with the IVS
* Valuation approach and reasoning
* Amount of the valuation or valuations, including land and building split together with useful economic life
* Date of the valuation report
	+ 1. The report shall include additional items:
* A statement of the valuation approach
* A statement that the valuer (being the Supplier) has the knowledge, skills and understanding to undertake the valuation competently
* The opinions of value to be shown in figures and words
* A signature and date of the report
* A statement that compliance with the Red Book may be subject to monitoring under the RICS conduct and disciplinary regulations
* Current photograph including date
	+ 1. The Suppliers carrying out inspections of certain properties, which will be identified when the list is provided each year, will need to ensure that pre-employment checks have been provided for Disclosure Barring Service (previously Criminal Records Bureau)
		2. It is assumed that the properties are not adversely affected by environmental issues (specifically mining subsidence/ contaminated land/ radon risk/asbestos) and the final report should be worded accordingly. This approach should only be adopted if the Supplier, having carried out the valuation exercise, has no evidence to the contrary either historically or current. If the Supplier has any reason to suspect properties are affected by any of these issues, they should note to this effect with a recommendation to the Council that the necessary specialist advice be obtained. It is understood that where appropriate any environmental checks (desk top reports) shall only be provided as an appendix to each report.
1. **PERFORMANCE TARGETS**

The Supplier will be required to have measures measures in place to self-monitor delivery of the contract and ensure the Performance Targets identified are met:

KPI 1- KPI 1: Valuations completed at the required rate per week with reports issued to the Council. Target KPI aligned with the Suppliers delivery plan. This is to be agreed at contract inception.

KPI 2 - Complaints received from building users/occupiers. Zero target.

KPI 3: Reporting provided to the Council in the agreed format and on time. Target 100% compliance with reporting requirements.

1. **CONFIDENTIALITY**
	1. The information which the successful Supplier will have access to is confidential and is commercially sensitive and should not be disclosed to any third party.
	2. All documentation and information issued by the Council relating to the Tender shall be treated by the Bidder as private and confidential for use only in connection with the quotation and any resulting Contract and shall not be disclosed in whole or in part to any third party without the prior written consent of the Council.
	3. The documents which constitute the Contract, and all copies are, and will remain the property of the Council (whether or not the Council shall have charged a fee for the supply of such documents) and must not be copied or reproduced in whole or in part and must be returned to the Council upon demand.
2. **PERSONAL DATA**
	1. The successful Bidder must ensure they comply with the Data Protection Act 2018 at all times during the Contract and ensure that any data is only processed and used for the purposes required under the Contract.
	2. There shall be careful handling specifically relating to any data relating to third party tenants.
3. **REPORTING / CONTRACT MONITORING**
	1. There are to be weekly meetings during the Live Period to ensure satisfactory progress is being maintained to expect the adequate delivery across the whole range of the work
	2. There shall be an annual Contract Review Meeting when lessons learnt can be established and any resolutions implemented for the following and subsequent years.
4. **PROBLEM SOLVING**

The Supplier shall provide complaints handling procedure for perusal which could apply in the event of any non-timely delivery of the required work, namely Valuation Reports and or Spreadsheets or other instructed work relating to the audit requirements.

1. **REVIEW OF PROCEDURES / CHANGE**

14.1 The Council or Successful Bidder may at any point issue Variation Agreement provided that such does not amount to a material change to the contract.

* 1. Completion of the services in accordance with the Specification and the deadlines set out within this document are an essential component to the Council being able to complete its financial statements on time for 2022/23 and each successive year.
	2. It is anticipated that similar deadlines will apply for valuations to be delivered for years 2 and 3; however, this will be reviewed with the Supplier, and confirmed with the Council, upon completion of year 1 valuations
1. **USE OF IT**

The Supplier must demonstrate they can access SharePoint or OneDrive or other equivalent sharing platforms to both receive instructions and deliver Valuation Reports and Excel Spreadsheets or similar.

1. **RISKS / BUSINESS CONTINUITY / EXIT STRATEGY**

The Supplier must demonstrate how the following will be accommodated:

* ensure that there is continuity of service at short notice to cover sickness, annual leave and other absences as required.
* make consideration for any disruption caused by the present global pandemic and resulting social distancing measures
* ensure its business continuity plan provides for continuity during a business continuity event.

The Council consider that non-delivery of the Service could give rise to an unacceptable delay in delivery of the full accounts. For this reason, the Council require that the Supplier to provide proposals for ensuring continuity of supply of Service over the contract term.

Similarly, in the event that the Supplier’s appointment was not renewed, it should provide details of how it would work with a new Supplier to ensure business continuity.

In both instances, the Supplier should illustrate how they would respond if they were unable to continue to deliver the Services OR the contract was not renewed, and they had to hand over to a new Supplier.

The Supplier shall provide to the Council, as part of their tender response to part 5 – Quality Response - question 5 Business Continuity, provide copies of its business continuity plan and exit strategy.

Should a business continuity event occur at any time, the Supplier shall implement and comply with its business continuity plan and provide regular written reports to the Council on such implementation.

1. **INSURANCE**
* The Supplier shall provide proof of Insurance in respect of the Public Liability and Professional Indemnity
* Public Liability Insurance – £5m each and every claim
* Professional Indemnity Insurance – £5m each and every claim
1. **PAYMENT AND INVOICING**
	1. The Council’s standard payment terms are 30 days from date of a valid invoice.

* 1. No invoices will be accepted without an official written order from us and the order number in full being quoted on all invoices
	2. Hard / electronic copy **(if electronic must be in PDF format and emailed to accounts.payableenquiry@derby.gov.uk** invoices should be submitted:
* monthly in arrears
* in UK Pounds Sterling
* accompanied by a full breakdown of charges relating to the Services provided.
	+ 1. All invoices for Derby City Council should be addressed to:

Accounts Payable Department

Derby City Council

The Council House

Corporation Street

Derby, DE1 2FS

 email address; accounts.payableenquiry@derby.gov.uk

 **Failure to do so may lead to a delay in payment**

* + 1. All payments will be made by BACS

1. **SEPARATE APPENDICES**
* Appendix 1 – Data Processing Agreement
* Appendix 2 – Safeguarding Policies
* Appendix 3 – Worked example of an evaluation
* Appendix 4 – Parks Section from the DCC Valuation Manual