



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Delegated authority seeking tenders and awarding contracts
Date:	4 April 2014
Reporting Officer:	Gerry Millar, Director of Property & Projects, Ext: 6217
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1.0	Purpose
	<p>The purpose of this report is to obtain approval seeking tenders for:</p> <ul style="list-style-type: none">• Annual property asset revaluations• Financial appraisal of those submitting tender returns and claimants for council funding

2.0	Relevant Background Information
	Annual property asset revaluations
2.1	Local Government Capital accounting requires the value to Council of owning property assets to be recorded in the annual accounts. The values assessed are for accounting purposes only and therefore do not represent market value.
2.2	A rolling revaluation programme has been in operation for a number of years whereby approximately 25% of Council's operational assets are discretely inspected each year thus achieving a total revaluation of all its operational assets based on actual physical inspections, in line with CIPFA guidance for valuation intervals, not exceeding five years.
2.3	The financial statements (annual accounts) of local authorities must be in accordance

	with the CIPFA IFRS Based Code of Practice on Local Authority Accounting.
2.4	Valuations for inclusion in local authority accounts are provided in accordance with RICS Valuation Standards (The Red Book) and must be undertaken by suitably qualified and registered valuers.
	Financial Appraisal
2.5	As part of the Council's pre contract evaluation of tenders, assurance is sought that those organisations which will enter into a contractual arrangement with Council have the financial capacity to meet the terms of that contract.
2.6	To minimise the risks of council funding a due diligence process of recipients is carried out. This includes an assessment of an organisation's financial standing so as to mitigate any potential failure to deliver the agreed outcomes of the contract.

3.0	Key Issues
3.1	The 2014 property asset revaluation exercise concluded a full inspection cycle whereby all of the Council's operational assets have been discretely inspected in accordance with the Code of Practice on Local Authority Accounting.
3.2	In line with RICS best practice guidance it is proposed to award a contract that will provide the Council with annual discrete property asset assessments. This approach will provide continuity in providing the necessary assessments for all Council's operational assets within the term of a single contract.
3.3	The tender specification will provide for inclusion and revaluation of a substantial number of property assets that will transfer to the Council under LGR in April 2015.
3.4	In line with the Council's Procurement Policy, both these tenders will be invited from professionally qualified organisations with necessary experience in their respective fields. With the evaluation criteria based on both cost and quality with a contract awarded to the most economically advantageous tender.
3.5	Both these tenders will be awarded on a 3 year basis with the option to renew for a further year.
3.6	This co-ordinated approach to financial appraisals will provide the Council with assurance that the contracts are both cost effective and fully compliant. Corporate Procurement Services will manage the co-ordinated tender process on behalf of the Council.

4	Resource Implications						
4.1	<p><u>Financial</u></p> <table border="0"> <thead> <tr> <th>Category of Spend</th> <th>Indicative costs/year</th> </tr> </thead> <tbody> <tr> <td>Annual property asset revaluations</td> <td>£40K</td> </tr> <tr> <td>Financial appraisals</td> <td>£50K</td> </tr> </tbody> </table> <p>These costs will be met out of the existing revenue budgets within departments.</p>	Category of Spend	Indicative costs/year	Annual property asset revaluations	£40K	Financial appraisals	£50K
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Annual property asset revaluations	£40K						
Financial appraisals	£50K						
4.2	<p><u>Human Resources</u></p> <p>There are no additional human resource implications for Council over those already committed to completion of this annual exercise.</p>						
4.3	<p><u>Asset and Other Implications</u></p> <p>There are no asset or other implications.</p>						

5	Equality and Good Relations Considerations
5.1	There is no direct equality or good relations implications in respect of this report.

6	Recommendations
6.1	<p>Members are asked to :</p> <ol style="list-style-type: none"> 1. Approve seeking tenders for the above categories using pre-determined evaluation criteria which will include both quality and cost. In addition, Committee approval is sought under the Scheme of Delegation for acceptance of successful tenderer to be delegated to the Director of Property and Projects.

7	Decision Tracking
The Director of Property and Projects is responsible for approval of the recommended tenders.	

Key to Abbreviations
<p>RICS – Royal Institution of Chartered Surveyors LGR – Local Government Reform CIPFA –Chartered Institute Public Accounting IFRS –International Financial Reporting Standards</p>

Documents Attached
None