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**Valuation of Shared Waste Partnership Assets Specification**

1. **Introduction**

Hampshire County Council on behalf of Project Integra, a local authority partnership comprising Hampshire County Council, Southampton City Council and Portsmouth City Council with Hampshire Waste Services Ltd (a wholly owned subsidiary of Veolia UK) require a valuation of the shared waste partnership assets in the current 2023/24 financial year.

These valuations are necessary for financial accounting purposes for inclusion in the financial statements of the three partner authorities and specifically, in order to meet Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice requirement for all land & building assets to be revalued at intervals of no longer than five years.

1. **Specification**

**Scope of Valuations**

To carry out valuations of land, buildings, and specialist plant and equipment at the following five sites operated by Hampshire Waste Services Ltd under the Project Integra partnership.

1. Chineham Energy Recovery Facility, Whitmarsh Lane, Chineham, Basingstoke, Hampshire, RG24 8LL
2. Marchwood Energy Recovery Facility, Marchwood Industrial Park, Oceanic Way, Southampton, Hampshire, SO40 4BD
3. Portsmouth Energy Recovery Facility, Quartremaine Road, Portsmouth, Hampshire, PO3 5HQ
4. Alton Material Recovery Facility, Farnham Road, Upper Froyle, Alton, Hampshire, GU34 4JD
5. Portsmouth Material Recovery Facility, Quartremaine Road, Portsmouth, Hampshire, PO3 5HQ

**Valuation Requirements**

The principles and practices used to compile the financial statements of local authorities are governed by the CIPFA Code of Practice 2023/24 (‘the Code’), based on International Financial Reporting Standards (which means that asset valuations must be valid at the closing balance sheet date of 31st March each year).

The specified assets must be valued in accordance with requirements of the CIPFA Code and the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

The CIPFA Code requires all operational land and building assets to be valued at current value, determined as the amount that would be paid for the asset in its existing use (EUV). Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

The CIPFA Code also highlights the requirement to consider valuations for individual components when the expected life of a component is different to the life of the overall asset. Where the value of a component of an asset is significant in relation to the value of the whole asset, and where it has a different remaining economic useful life, the component should be valued separately.

**Effective Date of Valuations**

The effective date for valuations is 31st March 2024

**Responsibilities**

The Waste Management team at Hampshire County Council will provide details of contacts at each of the specified sites at the start of the contract to facilitate site visits and enable enquiries to be raised.

It is expected that suppliers will complete site visits to inspect assets and their condition in order to derive their valuations. The cost of undertaking site visits should be built into the quotation provided.

In addition, it is expected that suppliers will provide any further information or clarifications requested by HCC’s or other partners’ external auditors. Quotations should allow for providing responses to external auditors if required.

Suppliers will need to be able to demonstrate the following competencies.

* Qualified valuers/members of Royal Institution of Chartered Surveyors
* Experience of valuing similar sites including associated specialist plant and equipment
* Able to provide example reports which demonstrate evidence of doing comparable work to a high standard.

Please note, suppliers are expected to be qualified valuers/members of Royal Institution of Chartered Surveyors. If suppliers are unable to meet this requirement, this will result in the quotation being rejected.

**Report Output**

A valuation report should be issued to Hampshire County Council (which HCC will share with Southampton City Council and Portsmouth City Council as other Project Integra partners, in addition to being shared with each partner’s respective external auditor as required).

The report output must include the following.

* Individual valuation report for each site, split between land, buildings, and specialist plant and equipment, which provides sufficient detail to be able to understand and reperform the valuations.
* Details of valuation method (EUV/DRC) for each valuation.
* Details of how cost information used in DRC valuations has been calculated.
* Evidence to support any figures or information used within the individual valuation reports, including but not exclusive to any measurements, plans, valuation rates or sites listed as reference points in the valuation.
* Estimated remaining useful life (years) for building assets and specialist plant and equipment (including breakdown of individual components where expected life of a component is different to the life of the overall asset)

1. **Contract Details**

The contract will be with Hampshire County Council as lead authority for the partnership. The anticipated start date for the contract will be 5 February 2024. Valuations should be completed and draft report issued **no later than 8 April 2024.**

1. **Conditions of Contract**

Hampshire County Council’s standard purchase order terms and conditions will apply to the contract.

A copy of them can be viewed online at: <https://www.hants.gov.uk/business/procurement/purchase-order-terms>

Unless expressly agreed in writing by the Council, any additional conditions in or accompanying the quotation submission will not be accepted by the Council.

1. **Insurance Requirements**

Suppliers must have £5 million of employers’ liability insurance, £5 million of public liability insurance and £2 million of professional indemnity insurance.

* If you already hold this, please confirm so in the quotation response sheet and provide copies of the insurance documents as evidence.
* If you do not currently hold this, please confirm in the quotation response sheet that you are willing to take this out and provide written evidence from your insurance company that they are willing to provide it. If you are awarded a contract this will be conditional on you taking out the required insurance.
* If you are unable to provide either of the above that will result in the quotation being rejected.

1. **Instructions for Quotations**

Quotations must be submitted in accordance with the following instructions. Any not complying with them may be rejected by Hampshire County Council, whose decision in the matter shall be final.

**Quotation Submission Deadline and Format**

Quotations must be submitted via email to [capital.accounting@hants.gov.uk](mailto:capital.accounting@hants.gov.uk) no later than **5pm on Friday 19 January 2024**. Any quotations submitted elsewhere or received after that deadline will not be considered.

Quotations must be submitted on the response sheet provided by the Council, in English and using Arial 12-point font. Additional documents should only be provided where requested (e.g. sample reports). There is no word limit, although is anticipated that the response to any one question would not need to be more than one page long.

**Contact Details**

All correspondence from suppliers during the quotation process, such as queries, should be submitted via email to [capital.accounting@hants.gov.uk](mailto:capital.accounting@hants.gov.uk)

**Pricing**

Price must include all costs associated with the service. This includes any travel, subsistence and training costs where applicable. All amounts must be priced in Pounds Sterling and should be exclusive of VAT.

No variation in the prices will be accepted for any reason whatsoever unless agreed in writing by the Council.

Quotations must remain valid for 120 days from the deadline for submitting quotations.

**Further Instructions and Guidance**

Please respond on the basis that we have no prior knowledge of your organisation.

The Council does not bind itself to accept any quotation or contract and is entitled, at its sole discretion, to alter or terminate this quotation process at any stage.

Any contract concluded as a result of this quotation shall be governed by English Law and subject to the jurisdiction of the English courts.

The Council is subject to the provisions of the Freedom of Information Act. Suppliers should therefore be aware that information they provide to the Council could be subject to the Freedom of Information Act.

**Clarification Queries and Confirmation of Interest**

Suppliers may submit clarification queries during the quotation period. These should be sent via email to [capital.accounting@hants.gov.uk](mailto:capital.accounting@hants.gov.uk) and be received no later than **5pm on Friday 5 January 2024.**

Minor queries may only require an answer to that supplier. However, if the Council considers it appropriate, anonymised clarification queries and answers may be sent to all suppliers to enable equal treatment. To avoid sending information to suppliers who may not be interested, these will only be sent to suppliers who have confirmed by email to [capital.accounting@hants.gov.uk](mailto:capital.accounting@hants.gov.uk) that they are interested in submitting a quotation.

**Indicative Timetable**

The Council is working to the following procurement timetable, although reserves the right to alter it if required:

|  |  |
| --- | --- |
| Issue request | Friday 15 December 2023 |
| Deadline for clarification queries and confirmation of interest | 5pm on Friday 5 January 2024 |
| Quotation return | 5pm on Friday 19 January 2024 |
| Evaluation complete | Friday 26 January 2024 |
| Contract award | Wednesday 31 January 2024 |
| Commencement date | Monday 5 February 2024 |

The Council will notify successful and unsuccessful suppliers of the outcome in writing as soon as possible following completion of the procurement process.

1. **Quotation Evaluation**

**Introduction**

Quotations will be evaluated on the basis of 50% quality (50 points) and 50% price (50 points). The quality and price scores will then be added together to obtain a score out of 100. The quotation which receives the highest score will be offered the contract.

Suppliers are also required to confirm on the response sheet that they are able to meet the insurance requirements. Any quotation which cannot meet the insurance requirements specified above on page 4 will be rejected.

**QUALITY 50%**

Quality will be assessed against three criteria, these being:

* Technical proposal/methodology for carrying out valuations (20 points)
* Experience and Personnel (20 points)
* Delivery of valuations (10 points)

A total of 50 points are available against these three criteria, with each criteria assessed as shown in the table below:

|  |  |  |
| --- | --- | --- |
| **Quality Criteria** | **Areas for Evaluation** | **Weighting** |
| Technical proposal/methodology for carrying out valuations | The supplier is able to demonstrate knowledge of what needs to be done to carry out valuations, including compliance with CIPFA Code and RICS valuation requirements. In addition, supplier is able to provide an example report to evidence proposed report output. | 20% (20 points) |
| Experience and Personnel | The supplier and personnel undertaking valuations are able to demonstrate previous experience of completing similar valuations including specialist plant and equipment to a high standard, including providing report extracts from similar valuations. Personnel are suitably qualified (Qualified valuers/members of Royal Institution of Chartered Surveyors). | 20% (20 points) |
| Delivery of valuations | The supplier is able to provide a resource plan/timetable for carrying out the valuations to provide confidence that they will complete the valuations on time, and confirm how they will communicate well with the client. This includes responding to review questions from the client and any requests for further information/clarifications from client’s external auditors. | 10% (10 points) |
| **TOTAL SCORE** | | **50% (50 points)** |

**QUALITY SCORING CRITERIA**

The scoring methodology for each of the quality criteria are shown in the table below. A quotation panel made up of experienced finance staff and a qualified valuer employed by the Council will conduct the scoring process.

|  |  |
| --- | --- |
| **Score** | **Criteria** |
| 100% of available points | A fully compliant, comprehensive response which provides detailed information that is highly relevant and fully addresses the question, including all of the requirements. The response demonstrates an extensive understanding of the areas/matters to which the question refers and provides a high level of confidence in the supplier’s ability to provide the services under this contract. |
| 75% of available points | The response provides information that is directly relevant, addresses the question, including all of the requirements, but with minor instances of missing detail and demonstrates a good understanding of the areas/matters to which the question refers. The response provides a good level of confidence in the supplier’s ability to provide the services under this contract. |
| 50% of available points | The response provides information that is relevant to the question and demonstrates a reasonable understanding of the areas/matters to which the question refers. The response only provides a satisfactory level of confidence in the supplier’s ability to provide the services under this contract. |
| 25% of available points | The response is only partially relevant to the question and demonstrates little understanding of the areas/matters to which the question refers. The response only provides a low level of confidence in the supplier’s ability to provide the services under this contract. |
| Zero points | No response is provided, or a response is provided which is not relevant, lacks detail and does not address the requirements. The response fails to provide any confidence in the supplier’s ability to provide the services under this contract. |

Example calculation of quality assessment score:

The number of points available for the Experience and Personnel criteria is 20. A quotation which receives 100% of the available points will thus receive 20 points, a quotation which receives 75% of the available points will receive 15 points etc.

The total quality score (out of 50 points) is calculated by adding all the individual quality scores together.

**PRICING 50% (50 points)**

Pricing is weighted at 50% and will be assessed using the following methodology:

1) The lowest price will be awarded **50 points** with other quotations receiving proportionally lower scores, calculated as:

* Lowest price divided by quoted price x 50
* For example, if supplier C’s price is lowest at £1,000 then supplier C will get 50 points
* If supplier A’s price is £2,000 their score will be calculated as (1,000/2,000) x 50 = 25 points