CONTRACT DOCUMENT

for

ASSET VALUATION OF MASTERTON DISTRICT COUNCIL’S LAND AND BUILDINGS

FOR THE

MASTERTON DISTRICT COUNCIL

2 May, 2018
GENERAL CONDITIONS OF CONTRACT

The Asset Valuation consists of three parts and a quote is required showing the breakdown of costs for each part of the contract. The successful applicant will be appointed for a three-year period, after which the job will be retendered. Please include as part of the tender a short summary of the organisation and the skills, experience and qualifications of the staff that will be undertaking the work.

Part One:
An annual certificate of valuation of Council Buildings for insurance purposes is required with two copies of the schedules specifying separate valuations for each property. The schedule must be in the same format and order as per the attached labelled Insurance Valuation 2017 which includes all the properties listed under the relevant subheadings and it will need to include a summarised certificate of valuation with totals. The address, postal code, year of construction, and the construction materials are required for insurance purposes so these columns must also be included. Please note that the schedule is the index adjusted one from last year and the numbers have been included as a guide only to demonstrate the work involved. New valuations based on an inspection of each property is required and the figures in this schedule should not be relied on as some building will have been upgraded since they were last inspected. The items highlighted in yellow will be discussed with the successful tenderer as there are some changes required due to impairment and deletions. New assets to be added have also been listed at the bottom of the schedule.

Full property inspections will be required for year one, the 2017/18 insurance year, with inflation-indexed updates to be provided in years two and three. The Insurance Valuations for this year must be completed by the 29th June 2018. The inflation-indexed updates will be required by mid-June for the next two years. Please also state the cost for inspection and valuation of properties purchased throughout the contract term.

Part Two:
A schedule listing current market values, for accounting purposes, of Council’s land and buildings as at 30th June 2018 is required by the 31st July 2018. As we revalue our assets only every three years, this is a one off task required within the contract term. The valuation of buildings will need to comply with accounting standard PBE IPSAS 3. Building values will be required to be broken down into generally the following components although some assets may not require all categories and some assets may have more components:

1) Structure
2) Fitout – including curtains & other fittings
3) Building services – including lifts, lighting and electrical
4) Building plant -air-conditioning
5) Roof
6) Other site improvements

The asset list schedule contains a tab labelled Buildings which lists all the buildings with their book values as at 30 June 2017. Although our assets are split into components please feel free to add to these if you feel any assets need more components to comply with PBE IPSAS 3.

- Note the first column is an index number so the spreadsheet can be sorted back into department order.
- The second column shows the valuation number where the asset is sited and this corresponding number (as long as the building is sited on our land) should be found on the land valuation sheet.
- The Asset number is in column three.
• Note 550030D is the Capital Contribution paid to connect the Riversdale Surfclub Toilets to the new sewerage scheme. This value should not be written down.
• Note 550044D is the Capital Contribution paid to connect the Riversdale Southern Reserve Toilets to the new sewerage scheme and this value should not be written down.
• In QE Park, apart from specific buildings, asset number 250045A/B/C/D/E/F includes various land improvements in QE Park separate. From an accounting point of view it is useful to break these other site improvements into components. Please review these components as necessary.
• In our campground Mawley Park, site improvements have also been split into components. These are under asset numbers 50002/A/B/C/D/E/F. Again these should be reviewed as necessary.
• There are some new assets listed at the bottom that will also need split into components and added to the schedule. Note that the $80,000 addition to the Mawley Park boundary fence has already been added to the schedule above. These items will be discussed with the successful tenderer.

The tab labelled Land includes all the properties owned by the Masterton District Council.

• Although most are within the Masterton boundary, there is one property within the Carterton District Council’s boundary, being valuation assessment number 18140/01600 and one within the Tararua District, being valuation assessment number 17700/48600.
• The new RV’s for both the land and other improvements that were completed by Quotable Value (QV) in September 2017 have been included (apart from the two out of District assessments) along with any legal descriptions on our system.
• Accounting values are required for the land, buildings (the component detail is to be completed on the building list) and other site improvements.
• The main land spreadsheet with all the detail is sorted into department order but column A is an index number that references back to our land sheet. Sometimes two or three assessments are recorded on one line (hence some index numbers are not whole numbers) but all properties are listed separately and should be valued this way.
• Column N contains asset numbers of Buildings (which relate back to the Buildings spreadsheet) where these are sited on our land. Note that assets are only listed by their base number and do not include all sub components such as A, B, etc.
• Note that the Tinui Landfill on assessment 17970/25300 is on contaminated land and this needs to be taken into account when valuing.
• Note that assessment number 17920/20100 in Upper Plain has a total area of 79.32 hectares but 20 hectares we value under Forestry, 12 hectares Water and Sewerage and the balance under Rural Reserve Land. Do not duplicate these valuations. They are highlighted on the sheet with a note to the right of the spreadsheet.
• Assessment number 18030/001/00, Mawley Park has half its area valued under Urban Reserve Land and half under Mawley Park. Again do not duplicate and these two are also highlighted to the right of the spreadsheet.
• At the bottom of the land spreadsheet I have listed our Investment Properties which need to be valued under Part Three. Do not include these as part of our land valuation.
• If doing a check of all properties in the Masterton District Council name there are some properties not owned by us and therefore should not be included as part of the land valuation. These are listed on the bottom of the spreadsheet under Properties in Council’s name but not to be valued.
Part Three:
We have a small list of properties contained within our investment portfolio which are listed in the tab labelled Investment Properties. Each year for the next three years an updated market valuation of these properties is required. Currently there are seven properties on this list, but this number can vary between five and ten. Included is a list of the properties and QV’s value as at the 1st September 2017. The total improvement value, land value and the total fair value as at the 30th June 2018 is required by the 31st July 2018. There will be a request for an updated valuation (made at the same time as the insurance values are required) at the end of June 2019 and 2020.

Summary:
The information for all three sections should be returned in both hard copy schedule and electronic format.

Please note that if you need detailed information on buildings including floor plans and other specifications you will need to come on site to research these. The contract does not include the administration services of a Council Officer to copy and send plans and there may be a charge for requests for bulk information.

Tenders close at 4.30pm on Monday the 21st May 2018. No late tenders will be accepted. The successful tenderer will be advised by Thursday the 24th May 2018. Evaluation of tenders will be based on both price and non-price attributes and the lowest price tender will not necessarily be accepted.

Any queries are to be directed to David Paris, Manager Finance on 06 3706263 or email davidp@mtn.govt.nz.