

Attachment C: Pro-forma RFQ specifications

This attachment includes three alternative pro-forma tender specifications.

They include –

- Option 1: Valuation delivered by external valuers
- Option2: Collaborative approach to build internal capability so that the council can undertake their own valuations in future years
- Option3: Procurement of specialised valuation software to enable council to undertake internal valuations

Before selecting an appropriate approach, consideration should be given to council's own internal capability, needs and strategic desires.

The Option 1 specification is based on the pro-forma tender specification previously include din the CPA Australia guide to the valuation and depreciation of public and NFP sector assets. It has been updated to reflect the various AASB decisions and updates to standards since the CPA Guide was published in 2016.

The various templates can be downloaded in Word format from [here](#) and the find/replace command used to replace the yellow highlighted fields (such as name of entity) with the required fields.

These include –

- [Name of entity]
- Time and date of closing
- [dd mmm]
- <date for draft report>
- <date for final report>
- [desktop update due date]
- [date of issue]

Feedback from valuation firms indicate significant frustration relating to individual councils requiring the completion of extremely complex and detailed 'council specific' tender documentation and submission processes with many aspects having no relevance to the conduct of a valuation.

Such processes results in the valuers spending significant resources trying to put together compliant submissions with the majority of the time related to contract documentation rather than addressing the RFQ criteria.

We strongly encourage councils to use of the below templates and to review RFQs prior to publication to ensure irrelevant requirements are removed and the process to complete contractual documentation in simplified.

[Name of entity]

Option 1: Valuation delivered by external valuers



Request for Quotation

[Name of entity]

for

Provision of asset valuation services

Name of quote/tender:	Provision of asset valuation services
Closing time:	Time and date of closing
Number:	Tender reference

1 QUOTATION/TENDER DETAILS

Item	Title of project
Project manager	Name and contact numbers of project manager
Due date and time	Time and date of closing
Delivery address	Address of tender delivery and any special requirements, such as electronic lodgement only or marked tender box, and the number of copies required

2 SERVICES TO BE PROVIDED

[Name of entity] is seeking expressions of interest for the provision of valuation services for a three (3) year period. Council is required to capture and value its assets and account for them according with the Australian Accounting Standards (AASB) and other prescribed requirements to ensure good asset management practices and accurate and reliable accounting treatment.

The project involves:

- The valuation of the following asset classes as at **[dd mmm]** each year as follows at fair value (FV). A comprehensive (Comp) valuation will involve physical inspection (although a sampling approach may be utilised as appropriate or reliance placed on a recent physical inspection). A desktop revaluation (Desk) will not require inspection by the valuer although updated condition data along data regarding new acquisitions or disposals will be provided by **[Name of entity]** to assist the valuer with these valuations; and
- **[Name of entity]** also aims to develop a long-term strategic relationship with the successful tenderer. Accordingly, the supplier is requested to incorporate into the quote a price for the ad hoc provision of general asset accounting and asset valuation advice.

Some asset classes will also require the provision of insurance values (Ins).

ASSET CLASS	BASIS	REVALUATION THRESHOLD	2024	2025	2026
Land	FV	\$1	Comp	Desk	Desk
Buildings	FV and Ins	\$10,000	Comp	Desk	Desk
Other structures	FV and Ins	\$2,000	Comp	Desk	Desk
Roads infrastructure	FV	\$1	Desk	Comp	Desk
Water and sewerage infrastructure	FV	\$1	Desk	Desk	Comp
Parks and recreational assets	FV	\$2,000	Desk	Desk	Comp
Other					

The valuation outputs are to include:

Valuation Data

The key valuation data to be produced in spreadsheet or database format.

at the asset class level –

- Gross value (either MV or GRC)
- Accumulated depreciation
- Fair value
- Estimated annual depreciation expense

at the 'Asset' level –

- Gross value (either MV or GRC)
- Accumulated depreciation
- Fair value
- Estimated annual depreciation expense
- Weighted average useful life and RUL
- Fair Value Measurement class and valuation hierarchy

at the 'Component level'

- Gross replacement cost, accumulated depreciation and FV
- Condition or consumption score
- Pattern of consumption of future economic benefit
- Residual value
- Estimated annual Depreciation expense
- Weighted average Useful life and Weighted average RUL

at the 'Part' level

- Gross replacement cost, accumulated depreciation and FV
- Condition or consumption score (where relevant)
- Pattern of consumption of future economic benefit
- Residual value
- Useful life and RUL
- Estimated annual Depreciation expense

In relation to the calculation of replacement cost or market value

- For market value – property and where relevant vacant land value
- For cost approach –
 - Dimensions and associated Unit Rate applied
 - Indices applied (where relevant)

Financial Statement Disclosure Information

- Information relevant to disclosures required under AASB13 Fair Value. For example, this may include information about –
 - level of valuation input
 - valuation techniques, and

- the source of key inputs.

Timing

Draft report to be provided by <date for draft report>

Final report to be provided by <date for final report>

Valuation report and certificate

Signed original report setting out the process, results, limitations, qualification of the valuer, valuation certificate and summary data.

Electronic valuation report

To be provided in either Microsoft Excel or an electronic database listing each asset and component, underlying assumptions and results with hyperlinked photographs, and GIS coordinates (where appropriate).

The ability for the entity to access the electronic data and use it to upload to other systems is critical.

Valuation and depreciation methodology

The valuation is required to be supported by appropriate Valuation Methodology document setting out the underlying methodology, assumptions, processes and evidence used to produce the valuation.

This needs to make reference back to the underlying accounting standards and demonstrate full compliance with all aspects of the accounting standards and other prescribed requirements.

Audit liaison

The valuer is required to follow up and liaise with the external auditor or [name of entity] with respect to any issues relating to their processes, methodology and evidence gathered in relation to the valuation. This may include the provision of source data to the auditor.

An estimated of a reasonable amount of additional audit time needs to be identified and included in the overall quoted fee. Where actual time spent responding to audit queries is likely to exceed this estimate, the valuer is to liaise with council in advance, and seek a variation to the contract.

3 BACKGROUND INFORMATION

To assist the valuer gain an understanding of the project the following information is provided regarding [name of entity].

TYPE OF INFORMATION	DETAILS
Nature of entity	Local government
Key contact	Name and details of key contact
Location (head office)	Address and contact details
Location of assets	Provide overview of: <ul style="list-style-type: none">• types of assets held• geographical spread of the assets• special instructions regarding access and inspections.
Overview of the business	Provide overview of what the entity does, including: <ul style="list-style-type: none">• types of assets held services provided• customer base/community demographics other.
Linkage to other systems or processes	Provide details of other systems or processes that may impact on the delivery of the data and conduct of the valuation. For example: <ul style="list-style-type: none">• financial asset register asset management system• integration into asset management plan existing sources of data condition information.

A detailed listing of assets will be provided to potential suppliers by contacting [contact officer] direct via email on –

[contact office email address].

Or

Detailed listings of the assets to be valued are included in the attached Excel spreadsheets.

The following information is provided for quick analysis.

ASSET CLASS	NO. ASSETS	VALUATION BASIS	LAST COMP	CURRENT FAIR VALUE
Land	3,000	MV and CRC	2022	\$56 million
Buildings	600	MV and CRC	2022	\$67 million
Other structures	350	CRC	2023	\$45 million
Roads infrastructure	25,400	CRC	2023	\$470 million
Water and sewerage infrastructure	32,300	CRC	2020	\$370 million
Parks and recreational assets	890	CRC	2020	\$8 million
Other				

4 DEFINITIONS AND PRESCRIBED REQUIREMENTS

The valuation is required to comply with all aspects of the relevant accounting standards and other Prescribed Requirements. These include (but are not limited to):

AASB	Accounting Standard
AASB 13	Fair Value Measurement
AASB116	Property, Plant and Equipment
AASB 136	Impairment
AASB 5	Assets Held for Sale
AASB 140	Investment Properties
	List other standards and jurisdiction specific requirements (for example, Treasury policies of local government regulations)

For the purposes of the exercise the following definitions apply:

Active market A market in which all the following conditions exist:
 (a) the items traded within the market are homogeneous
 (b) willing buyers and sellers can normally be found at any time, and
 (c) prices are available to the public.

Component An element of the overall asset that is managed independently of the other elements. For example: road surface, road pavement and road formation. It is an asset management term and not an accounting standard term.

Comprehensive valuation	A revaluation that entails significant levels of physical inspection and evaluation of all appropriate aspects such as methodology, assumptions and unit rates.
Depreciable amount	The cost of an asset, or other amount substituted for cost, less its residual value. This is the current value less residual value.
Current replacement cost	The gross replacement cost less an adjustment for obsolescence. It reflects the level of remaining service potential embodied in an asset based on the replacement cost.
Depreciation	The systematic allocation of the depreciable amount of an asset over its useful life, which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity.
Fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).
Gross replacement cost	<p>The cost of replacing the total potential future economic benefit of the existing asset using either reproduction or modern equivalents after taking into account any differences in the utility of the existing asset and the modern equivalent.</p> <p>It is based on constructing the asset in the same location using normal operating procedures and includes disruptions costs, the cost of replacement of assets belonging to external parties and site preparation costs other than those embedded in the underlying value of the land.</p>
Interim revaluation by indexation	Also referred to as a desktop valuation. This type of valuation is based purely on indexation rates and adjustments for additions, deletions and changes in condition (for example, impairment events or major renewal). It should be limited to a maximum of two or three years between comprehensive valuations.
Market value	The price that would be exchanged between a willing buyer and seller in an active and liquid market.
Pattern of consumption of future economic benefit	The pattern in which the asset's future economic benefits are expected to be consumed by the entity. This may be constant, increasing, decreasing or variable.

Part	<p>An element of the overall asset that has a RUL or pattern of consumption different to other elements. This may be due to differences in normal wear and tear, service levels, the impact of damage or typical renewal treatments or general obsolescence.</p> <p>As per the AASB 2015 Residual Value decision, if the renewal cost of a component is lower than the replacement cost of the component, this indicates that the component comprises two parts. A short-life (or renewal) part and a long-life (or recyclable) part with each part to be depreciated separately.</p>
Residual value	<p>The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.</p>
Remaining useful life	<p>The period over which an asset is expected to be available for use by an entity; or the number of production or similar units expected to be obtained from the asset by an entity</p> <p>Due to AASB108, it represents the time remaining until an asset ceases to provide the required level of service or reaches the end of its economic usefulness.</p>
Useful life	<p>For the purposes of the accounting standards, it is the same as the RUL.</p> <p>However, depending on the scenario and for asset management purposes it represents the time from original commissioning to final decommissioning.</p>

5 SPECIFIC REQUIREMENTS OF THE CONTRACT

1. Comprehensive valuations

- All assets are to be revalued at fair value in full compliance with the prescribed requirements and relevant guides as listed in the section 'Services to be provided';
- This includes valuing each asset as appropriate using the market, income or cost approach. With respect to the cost approach, this includes:
 - identifying all relevant costs

- splitting complex assets into short-life and long-life parts of each component (all assets above revaluation threshold)
 - determining replacement cost for each component
 - adjusting for the differences in service potential between existing asset and modern equivalent or reference asset
 - determining remaining service potential based on condition and obsolescence consistent with the entity's asset management strategies and other relevant factors.
- The valuation is to be supported by a valuation report which incorporates a valuation certificate, detailed description of the methodology employed, and all relevant information required to enable the entity to comply with AASB13 Fair Value Measurement disclosure requirements.
 - 'Fair Value' means the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Determining the fair value measurement requires an entity to determine all the following:

- the particular asset that is the subject of the measurement (consistently with its unit of account).
 - for a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use).
 - the principal (or most advantageous) market for the asset or liability.
 - the valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorised.
- Fair value will be determined as follows:
 - where there is a quoted or an active and liquid market, using the market approach
 - where the value of the asset is primarily driven by its income/profit-generating capability, using the income approach.
 - Otherwise, using the cost approach.
 - All assets above the revaluation threshold and irrespective of valuation technique, are to be disaggregated in accordance with the requirements of the accounting standards at a level that enables determination of depreciation expense for each part as well as integration into the entity's asset management framework.
 - All valuations are to be completed with an effective date of [dd mmm] of each year;

- All valuations are to be supported by sufficient and appropriate audit evidence to enable our auditors to satisfy their professional obligations

- The valuation and depreciation methodology must comply with all aspects of the accounting standards. In particular, the depreciation methodology must:
 - determine a RUL and depreciation estimate for each ‘part’ of the asset that has a different remaining useful life
 - be based on the relevant factors that drive the consumption of the asset’s future economic benefits
 - reflect the asset management lifecycle of the asset
 - include allowance for an appropriate residual value where relevant
 - depreciate the carrying value of the asset to the residual value over the RUL
 - use a method that matches the pattern of consumption of future economic benefit
 - be systematic.

- Where indicated, insurance valuations are also to be provided for each asset. In determining the insurance valuation, adequate allowances will be made for:
 - cost increases during the rebuilding period
 - cost of demolition and removal of debris
 - cost of all relevant professional fees including, but not limited to, architect’s, engineer’s, solicitor’s, surveyor’s and planning consultant’s
 - any foreseeable associated or incidental costs
 - any additional costs due to planning restrictions or changes in regulations relating to fire, flood and occupational health and safety legislation.

2. Annual desktop revaluations

- Updates will be required by [desktop update due date] each year to enable the timely completion of financial statements.
- Documentation and supporting information to support the valuation are to be provided.

3. Provision of general asset accounting and asset management advice

- Provide an hourly rate for ad hoc asset accounting and asset valuation advice (phone and email support).
- Provide an hourly and daily rate for face-to-face meetings, workshops or the production of detailed written reports or research as required.

6 EVALUATION CRITERIA

In addition to price, the evaluation criteria include a range of mandatory and qualitative criteria.

The criteria and their respective weightings are as follows. Please ensure your proposal specifically addresses each criterion.

CRITERIA	TYPE	WEIGHTING
1	Meets timelines	Yes/No
2	Insurance coverage	Yes/No
3	Methodology (including full compliance and timeframes)	20%
4	Outputs provide ability to assist with asset management planning	20%
5	Relevant skills	20%
6	Relevant experience	15%
7	Track record	15%
8	Ability and willingness to add value	5%
9	Quality assurance	5%
		100%

If a supplier is unable to satisfy all criteria, they may be eliminated from the tender process. However, they may still submit an alternative tender. If so they must:

- explain in detail the reason for non-compliance; and
- set out an alternative strategy for consideration by the evaluation panel.

The non-price criteria are described as follows.

1. Meets timelines

The specification requires the draft to be delivered by [date for draft report] with the final report to be delivered by [date for final report].

The response for this criterion is either Yes or No.

2. Insurance coverage

The following insurance is required. Please provide the following information and indicate whether you satisfy the minimum requirements with a Yes or No.

INSURANCE	AMOUNT REQUIRED
Public liability	\$10 million
Professional indemnity	\$5 million
Workers' compensation	

For each policy please advise:

- amount of coverage held;
- name of insurer;
- policy number;
- expiry date;
- excess; and
- whether you satisfy the minimum requirements (Yes or No)

3. Methodology (including full compliance, timeframe and ability to assist with asset management planning) (20%)

Proposals should include a discussion of the valuation methodology to be used, the proposed process to be followed and outputs that will be provided by the valuation process.

Details of all outputs should be tendered as part of your proposal.

Examples of the proposed reporting format or links to appropriate files should be included as part of the fee proposal.

It is critical that this section address the items identified in services to be provided and specific requirements of the contract sections.

4. Outputs provide ability to assist with asset management planning (20%)

Proposals should indicate how the methodology employed and valuation outputs will directly assist in strategic asset management planning and the development of asset management plans and budgets.

5. Relevant skills (20%)

Proposals should include curriculum vitae detailing relevant qualifications and expertise for all team members including subcontractors. Where subcontractors are used, your quotation should clearly identify that part of the project to be undertaken by the subcontractors.

6. Relevant experience (15%)

Proposals should outline your experience and reputation with respect to:

- the valuation of these types of assets;
- valuation experience and performance with the sector;
- provision of advice, consulting and training with respect to asset accounting and asset valuation; and

- contributions (of a professional or technical nature) made for the benefit of the sector as whole.

In particular, the proposal should also outline details of any other experience or expertise that may be relevant or provide the potential to add extra value to [name of entity] as a consequence of being awarded this contract.

7. Track record (15%)

Proposals should provide details of their track record in successfully completing projects of this nature.

In particular, provide details of:

- previous history and performance with council
- the number of these types of valuations completed over the past three years;
- details of whether qualified audits resulted due to asset/depreciation/valuation problems;
- contact details for referees; and
- relevant information that provides an indicator of actual performance.

8. Ability and willingness to add value

The values of assets held by [name of entity] are significant and due to their impact across the various services delivered by the entity it is desirable to build a long-term strategic relationship that provides [name of entity] with added value.

Proposals are to include information that will provide an indication of the potential to develop such a relationship. In particular they should provide information about:

- the ability and desire to establish a long- term relationship with [name of entity];
- contributing to the development of better practices across the sector or within specific entities with particular focus on asset accounting, asset valuation, asset management and corporate governance;
- your ability to deliver all services in-house; and
- relevant information that provides an indicator of actual performance.

9. Quality assurance

Proposals should indicate the processes they have in place to ensure a high level of quality assurance. Entities with independent third-party ISO:9001 quality management will be afforded full marks. Entities without ISO:9001 quality management certification will be limited to a maximum score of 50% of the weighting.

7 PRICING SCHEDULE

All costs are to be quoted as a fixed price (inclusive of travel, ancillary and tax costs) using the following schedule.

ACTIVITY	RATE	PRICE (Inclusive of travel, ancillary costs and tax)
Valuation of assets	Total	
Provision of ad hoc advice (email and phone support)	Per hour	
Provision of ad hoc advice (meetings, workshops, detailed reports and research)	Per hour Per day	

Date issued: [date of issue]

Option 1: RFQ Evaluation Template

Name of Assessor:

Position:

Date:

Ref: Provision of asset valuation services

	TYPE	COMMENTS	Y / N
1	Meets timeframe		
2	Insurance coverage		

	TYPE	OK?	COMMENTS	SCORE
3	<p>Methodology(including full compliance, timeframe and ability to assist with asset management planning)</p> <ul style="list-style-type: none"> • Satisfies all requirements of services to be provided ; • Where required: Market approach - is compliant with AASB13 • Where required: Income approach - is compliant with AASB13 • Where required: Cost approach – is compliant with AASB13 and includes: <ul style="list-style-type: none"> – identifying all costs – disaggregating assets into components and parts (short-life and long-life parts) – determining replacement cost for each part after adjusting for the differences in service potential between existing asset and modern equivalent or reference asset. • Fair value is based on assessment of condition, obsolescence, the entity's asset management strategies and other relevant factors (ie, CRC based on the key characteristics and DRC based on useful life) • Disaggregation is appropriately applied for all assets above the revaluation threshold irrespective of valuation technique; 			Out of 20

<ul style="list-style-type: none"> • The depreciation methodology fully complies with all aspects of the accounting standards. In particular, the depreciation methodology must:; <ul style="list-style-type: none"> – determine a RUL and depreciation estimate for each ‘part’ of the asset that has a different useful life – be based on the relevant factors that drive the consumption of the asset’s future economic benefits – reflect the asset management lifecycle of the asset – include allowance for an appropriate residual value – depreciate the carrying amount down to the residual value over the RUL – use a method that matches the pattern of consumption of future economic benefit – be systematic. 			
<ul style="list-style-type: none"> • The valuation will be supported by sufficient and appropriate audit evidence; 			
<ul style="list-style-type: none"> • The outputs include appropriate information to enable satisfaction of the disclosure requirements of AASB 13 Fair Value Measurement 			
<ul style="list-style-type: none"> • Where relevant the insurance valuations will be established on an appropriate basis. 			

4	<p>Outputs provide ability to assist with asset management planning</p> <ul style="list-style-type: none"> • The outputs include additional information and/or tools that will assist in asset management planning, budgeting and the development of long-term financial plans. 			Out of 20
5	<p>Relevant skills</p> <ul style="list-style-type: none"> • Appropriate qualifications 			Out of 20
6	<p>Relevant experience</p> <ul style="list-style-type: none"> • These types of assets; • This sector; • Provision of advice, consulting and training; • Contributions (of a professional or technical nature) ; • Potential to add value 			Out of 15
7	<p>Track record</p> <ul style="list-style-type: none"> • Previous history and performance with council • The number of these type of valuations completed over the past three years; • History of qualified audits; • Referees' comments; • Relevant information that provides an indicator of actual performance 			Out of 15

8	Ability and willingness to add value <ul style="list-style-type: none"> • The ability and desire to establish long-term relationships; • Contribution to the development of better practices across the sector; • Ability to deliver all services in-house; • Relevant information that provides an indicator of actual performance 			Out of 5
9	Quality assurance (max 50% if not ISO:9001 certification) <ul style="list-style-type: none"> • ISO:9001 Quality Management; • Feedback from customers under ISO:9001 framework 			Out of 5
Total score (out of 100)				

Overall Comments

Option 2: Collaborative approach to build internal capability

Insert council logo

Request for Quotation

[Name of entity]

for

Development of internal asset valuation capability

Name of quote/tender:	Development of internal asset valuation capability
Closing time:	Time and date of closing
Number:	Tender reference

1 QUOTATION/TENDER DETAILS

Item	Detail
Project manager	Name and contact numbers of project manager
Due date and time	Time and date of closing

2 OBJECTIVE AND SCOPE OF WORK

Council has traditionally outsourced the valuation of its assets. However, in conjunction with the desire to improve asset management capability, council also wishes to develop its own internal asset valuation capability.

It is critical that the asset valuation methodology is fully compliant with the accounting standards, satisfies auditors expectations and enables close integration with council's asset management planning framework. In terms of valuation methodology, it must provide for –

- Valuing assets appropriately on either market, income or cost approaches
- Splitting assets into components
- Further splitting components into the different parts to differentiate between the planned cost of renewal/replacement and the balance that has a longer useful life. This is required to enable proper calculation of depreciation expense as well as drive renewals projections
- Determining a valuation based on consideration of condition, location, restrictions and general obsolescence.

The types of assets to be valued and included in the financial statements will include –

- Buildings (both specialised and general purpose)
- Road Infrastructure
- Water and Waste Water Infrastructure
- Marine Infrastructure (including wharves and jetties)
- Drainage Infrastructure
- Major plant
- Miscellaneous infrastructure

Data for most assets is currently available from our finance and asset management systems with some data also held in GIS.

It is expected that the project will involve –

- On-site workshops and training regarding accounting standards and valuation methodology
- Provision of relevant valuation tools and software
- In-the-field training and mentoring of staff
- Overall quality review and provision of expert advice regarding valuation and depreciation under the accounting standards
- Delivery of outputs including valuations, financial reporting and outputs to support the asset management framework.
- Provision of a Peer Review for both valuations delivered as part of this project.

As the project's primary objective is to develop in-house capability it is expected that the total project will initially involve the valuation of transport assets with follow up training in the following year involving the valuation of buildings.

3 CRITERIA

In addition to overall fixed price the selection process will include consideration of the following qualitative criteria.

The overall budget is to be provided as a fixed price including all travel, accommodation and provision of relevant tools.

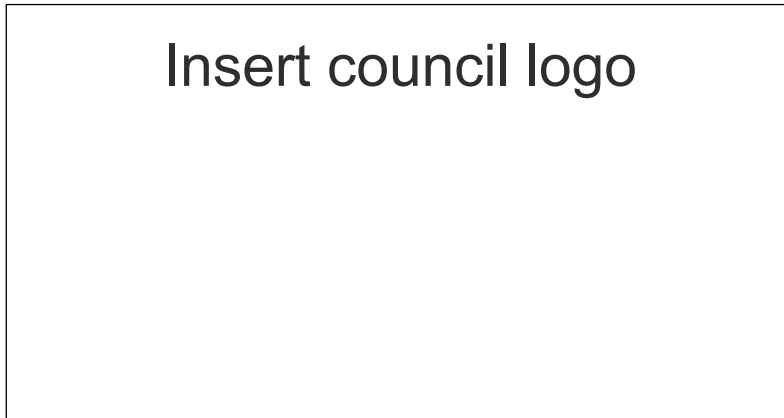
- Experience in Delivering Similar Projects (25%)
- Expertise in and experience with the provision of training regarding accounting standards, valuation, integration of asset accounting and asset management (20%)
- Project Methodology include process, tools, software and timetable (25%)
- Consultants proposed valuation methodology and outputs and its alignment to the overall project objectives (20%)
- Customer Feedback and Quality Management System (10%)

4 PRICING SCHEDULE

All costs are to be quoted as a fixed price (inclusive of travel, ancillary and tax costs) using the following schedule.

ACTIVITY	RATE	PRICE (Inclusive of travel, ancillary costs and tax)
Year 1 – Transport Assets	Total	
Year 2 - Buildings	Total	
Software	Total	

Option 3: Procurement of specialised valuation software



Request for Quotation

[Name of entity]

for

Procurement of specialised valuation software

Name of quote/tender:	Procurement of specialised valuation software
Closing time:	Time and date of closing
Number:	Tender reference

1 QUOTATION/TENDER DETAILS

Item	Detail
Project manager	Name and contact numbers of project manager
Due date and time	Time and date of closing
Delivery address	Address of tender delivery and any special requirements, such as electronic lodgement only or marked tender box, and the number of copies required

2 OBJECTIVE AND SCOPE OF WORK

Council has traditionally outsourced the valuation of its assets. However, in conjunction with the desire to improve asset management capability, council also wishes to undertake its own internal asset valuations using specialised asset valuation software.

It is critical that the software solutions asset valuation methodology is fully compliant with the accounting standards, satisfies auditors expectations and enables close integration with council's asset management planning framework. In terms of valuation methodology, it must provide for –

- Valuing assets appropriately on either market, income or cost approaches
- Splitting assets into components
- Further splitting components into the different parts to differentiate between the planned cost of renewal/replacement and the balance that has a longer useful life. This is required to enable proper calculation of depreciation expense as well as drive renewals projections
- Determining a valuation based on consideration of condition, location, restrictions and general obsolescence.

The types of assets to be valued using the software will include –

- Buildings (both specialised and general purpose)
- Road Infrastructure
- Water and Waste Water Infrastructure
- Marine Infrastructure (including wharves and jetties)
- Drainage Infrastructure
- Major plant
- Miscellaneous infrastructure

Data for most assets is currently available from our finance and asset management systems with some data also held in GIS.

It is expected that the project will involve –

- On-site onboarding which will also include training on accounting standards and valuation methodology
- A 3 – 5 year software licence agreement
- Access to ad-hoc technical advice and support

3 CRITERIA

In addition to overall fixed price, the selection process will include consideration of the following qualitative criteria.

- Overall features of the system with specific focus on valuation methodology, mobile data capture, system tools, reports, data import, data export and strategic asset management planning tools (40%)
- Proven track record of the system and customer feedback (30%)
- Ease of use and simplicity of the user interface (20%)
- Onboarding process and timeline (10%)

4 PRICING SCHEDULE

All costs are to be quoted as a fixed price (inclusive of travel, ancillary and tax costs) using the following schedule.

ACTIVITY	RATE	PRICE (Inclusive of travel, ancillary costs and tax)
Onboarding	Total	
Annual licence fee – Year 1	Total	
Annual licence fee – Year 2	Total	
Annual licence fee – Year 3	Total	
Annual licence fee – Year 4	Total	
Annual licence fee – Year 5	Total	
Provision of ad-hoc advice and support	Per Hour	

