

Report to Director of Property and Assets

September 2020

Award of Contract: Asset Valuation Services

Report by Head of Property and Assets

Electoral divisions: All

Summary

This report seeks authority to award a contract to Bruton Knowles LLP for the provision of Asset Valuation Services across the County of West Sussex.

The procurement exercise was conducted using the OJEU Open Process. A Contract Notice was published in the Official Journal of the European Union (OJEU) on 15/07/20 (Ref: 2020/S 137-338167). The process was led by Capita Procurement Services in consultation with the WSCC Head of Assets the WSCC Senior Surveyor.

A thorough evaluation process identified Bruton Knowles LLP as the most suitable service provider as per the published evaluation criteria. The contract will have an initial term of 5 years, commencing on 01/10/2020, with the option to extend for a further 5 years up to a maximum 10-year term.

Although the value of this contract is below the £0.500m threshold for a key Decision, it is part of a programme of contracts proposed in Key Decision Report [FR08 \(19/20\)](#) whose combined value does exceed £0.500m. Hence the decision to award this contract via the Officer Key Decision Process.

Recommendations

- (1) That the Director of Property and Assets approves the award of the contract to Bruton Knowles LLP for an initial term of 5 years commencing 01 October 2020, with the option to extend for a further period or periods of up to 5 years.
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Proposal

1 Background and context

- 1.1. WSCC has a statutory obligation to undertake Asset Valuation activities. The County Council is required to comply with the CIPFA Code of Practice on Local Authority Accounting and the RICS Red Book in relation to the valuation of property assets.
- 1.2. The Cabinet Member for Finance and Resources approved the formal commencement of this procurement process on 31/07/2019 (FR08 (19/20)).
- 1.3. This contract will also be available for use by East Sussex County Council (ESCC) and Surrey County Council (SCC). Services for ESCC and SCC are to be delivered in their respective Counties. If and to the extent that such services are required by ESCC and SCC, each Council shall follow their own governance procedures and enter into a specific contract with the Service Provider for such services incorporating by reference or otherwise the same or substantially the same terms and conditions contained in the Contract.
- 1.4. The procurement exercise was conducted using the OJEU Open Procedure. A Contract Notice was published in the Official Journal of the European Union (OJEU) on 15/07/20 (Ref: 2020/S 137-338167). The process was led by Capita Procurement Services in consultation with the WSCC Head of Assets, WSCC Senior Surveyor and WSCC Valuation and Estates Manager.
- 1.5. Twenty service providers expressed an interest in the opportunity via the WSCC e-sourcing portal. Two service providers submitted a tender response by the deadline of 17/08/2020.
- 1.6. Capita Procurement Services checked the tender responses for compliance on 11/05/2020. All required schedules were submitted and the tenders were correct.
- 1.7. Tenders were then evaluated by the Tender Evaluation Panel (TEP) using the following criteria:

| Criteria | Weight |
|----------------------------|--------|
| Method Statement Questions | 40% |
| Pricing Schedule | 60% |

- 1.8. The TEP consisted of:
 - WSCC Head of Assets
 - WSCC Senior Surveyor
 - WSCC Valuation and Estates Manager
 - ESCC Interim Property Lead

- 1.9. Capita Procurement Services managed the process to ensure fairness and that the process was compliant with the relevant regulations.

2 Proposal details

- 2.1 It is proposed that the Director of Property and Assets approves the award of the contract to the successful bidder, Bruton Knowles LLP, as determined by the evaluation criteria.
- 2.2 It is proposed that Bruton Knowles LLP is awarded a contract for an initial term of five years, commencing on 01/10/2020, with the option to extend for a further period or periods of up to five years.

3 Other options considered (and reasons for not proposing)

- 3.1 Alternative procurement options were considered in Key Decision Report [FR08 \(19/20\)](#)

4 Consultation, engagement and advice

- 4.1. WSCC Procurement Board approved the proposed sourcing strategy. WSCC Procurement, Finance and Legal Services teams have also been consulted in the drafting of this report.

5 Finance

- 5.1. The cost of Asset Valuation Service will continue to be met by existing service budgets. The annual cost of the new contract, based on anticipated activity levels, will be £47,850 per annum (total cost of £239,250 over the initial 5-year contract term). This value may vary if additional activity is required during the contract term, subject to the identification of appropriate funding.
- 5.2. Revenue consequences

| | Year 1 2020/21 <i>From 1st Oct</i> £ | Year 2 2021/22 £ | Year 3 2022/23 £ | Year 4 2023/24 £ | Year 5 2024/25 £ | Year 6 2025/26 <i>To 30th Sept</i> £ | TOTAL £ |
|-------------------|--|------------------------|------------------------|------------------------|------------------------|--|------------|
| Revenue budget | 23,925 | 47,850 | 47,850 | 47,850 | 47,850 | 23,925 | 239,250 |
| New contract cost | 23,925 | 47,850 | 47,850 | 47,850 | 47,850 | 23,925 | 239,250 |
| Remaining budget | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

5.3. Capital consequences: There are no capital consequences arising from this proposal

5.4. The effect of the proposal:

(a) **How the cost represents good value**

The evaluation process was designed to produce an outcome representing best value for money. The tender evaluation process involved three stages:

- Standard Selection Questionnaire: evaluating the eligibility of the bidders
- Method Statement Questions: evaluating the quality of the proposal
- Commercial Evaluation: evaluating the cost of the proposal.

Pre-tender benchmarking with neighboring Local Authorities indicates that the cost of this proposal is lower than the average current market rate for comparable services.

(b) **Future savings/efficiencies being delivered**

The tendered pricing schedule for this proposal will be applicable for the initial five-year term of the contract. Future savings and efficiencies will be targeted as part of on-going contract management throughout the term of the contract.

(c) **Human Resources, IT and Assets Impact**

There will be no impact to Human Resources. IT and Asset Impacts were considered in Key Decision Report [FR08 \(19/20\)](#).

6 Risk implications and mitigations

| Risk | Mitigating Action (in place or planned) |
|---|---|
| The risk of the service providers failing to deliver the service during the life of the contract. | Robust contract reporting and management provisions with good relationships built between the service provider and the Council. |
| Increase in revenue expenditure as a result of increased activity | Any increased revenue expenditure will be managed within existing budgets. |

7 Policy alignment and compliance

7.1 Impacts to the West Sussex Plan were considered with Key Decision Report [FR08 \(19/20\)](#).

- 7.2 Regarding legal compliance, the procurement exercise was conducted in accordance with the Public Contracts Regulations 2015 and WSCC Standing Orders on Procurement and Contracts. As such, it is anticipated that the risk of legal challenge of the outcome is minimal.
- 7.3 Regarding compliance with WSCC Standing Orders: The contractor will be required to provide proof of financial standing and appropriate levels of insurance before the contract is executed.

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Appendices

None

Background papers

None