

DEPARTMENT OF INTERNATIONAL RELATIONS AND COOPERATION

Invitation to service providers to conduct a property valuation and conditions assessment of residential accommodation owned by the South African Government in Brazil, Sao Paulo.



TERMS OF REFERENCE

1. PURPOSE

The Government of the Republic of South Africa through its Consulate wishes to appoint a suitably qualified and experienced service provider to conduct a property valuation and detailed conditions assessment and make recommendations regarding the possible disposal of state owned residential property in Brazil, Sao Paulo.

2. BACKGROUND

The South African Government owns Residential property on Avenida Nossa Senhora de Sabará, used to accommodate Diplomatic Staff.

The following property need to be assessed by means of a condition assessment report and a professional valuation:

- *Apartment 221 A, 22 Floor, Avenida Nossa Senhora de Sabara, 400*

The overall outcome of this project is to receive a comprehensive conditions assessment report in respect of each property together with a prioritised list of actions, options and associated cost to address any potential risk issues; as well as a professional valuation thereof.

Service providers should also identify immediate liabilities or legal issues and make recommendations on urgent actions to be undertaken prior to disposal of the said property.

3. CONFIDENTIALITY

- 3.1** All information and documentation provided to the service provider shall be treated as confidential and may not be shared with any person or entity not directly responsible for the execution of this project.
- 3.2** All information and documentation prepared by the service provider shall become the intellectual property of the Department of International Relations and Cooperation.

4. SPECIFICATIONS/ SCOPE OF WORK

The appointed service provider will be required to perform and report on the condition of the property and make recommendations on the continued utilisation thereof. The following deliverables are required:

4.1 PHASE 1: Preparation of Property Condition Report

Based upon a physical inspection of the properties, the service provider is expected to submit -

- a) Clear full photographic record of each property, including map location and assessment of desirability of the area;
- b) Building plans as recorded by the local council;
- c) As built building plans;
- d) A comparison between recorded building plans and as built plans highlighting differences, if any;
- e) Present value of the land without structures;
- f) Present value of the building and structures;
- g) Local council documents including zoning certificate, variances or restrictions; schedule of building code violations, title deeds and most recent municipal valuations
- h) Detailed written conditions assessment of both the exterior and interior of the property, which should include at least the following:
 - i. Site and grounds – including but not limited to pavements, landscaping, site drainage, walls, lighting, fencing
 - ii. Structural systems – including but not limited to foundations, columns and roofs
 - iii. Building envelope – including but not limited to roofing systems, integrity of waterproofing, exterior finishes, stairs and steps, exterior doors and windows
 - iv. Interior building components – including but not limited to ceilings and floors
 - v. Mechanical systems – including but not limited to electrical, heating ventilation and air conditioning, plumbing
 - vi. Safety and Code compliance - building compliance with local health and safety legislation. In the absence of such legislation, South African health and safety standards will apply
- i) Based upon the inspection, each building must be rated using the rating scale attached as **Annexure A**.

Please note:

1. No assessment of movable items such as furniture and white ware is required.
2. This is a non-destructive visual survey and the service provider is not required to perform exploratory probing or testing. Where such testing is considered necessary, it must be clearly indicated in the report together with a) the reasons therefor, b) the approximate cost thereof; c) approximate timeframe required and d) a list of at least 3 professionals within proximity to the property who are qualified to perform such work.
3. The service provider will, upon request, be provided with a Power of Attorney to obtain the necessary documents from the local council.

4.2 PHASE 2: Professional Valuation

- a) The appointed valuer will be expected to perform an analysis of the property market conditions in Apartment 221A, 22nd Floor, Avenida Nossa Senhora de Sabara, 400 And report on the economic projections of the relevant property market in the area.

- b) Following the market analysis, the appointed valuer will be expected to perform a valuation of the property, based on the information obtained and to compile a report to the Mission on its findings. The report must follow the structure of Annexure D attached hereto.
- c) The preferred method of evaluation, should be the method of direct comparison with sales in the open market.
- d) The following factors should constitute the heart of the valuation and must be meticulously reported on:
 - Income capitalization method
 - Comparable sales method
 - Cost method – Depreciated replacement value.

4.3 PHASE 3: Analysis and costed recommendations

Based upon the conditions assessment conducted, the service provider is expected to –

- a) Make an overall recommendation for the property on the options available to the South African Government, viz. maintaining, renovating, demolishing and rebuilding and/or disposing of each property with indicative costing attached to each option;
- b) Irrespective of the recommendation made on the property, the service provider must also prepare a detailed maintenance plan per facility with indicative costing, identifying immediate repair priorities as well as planned and preventative maintenance per year over the next 5 years;
- c) All reactive maintenance as well as preventative maintenance over a 5 year period must be prioritised and costed in detail. For purposes of prioritisation, the priority ranking in **Annexure B** may be used.

5. PROJECT TIMEFRAMES

- 5.1** The project is expected to be completed within a maximum period of 3 weeks from appointment.
- 5.2** A briefing meeting between the Mission and the successful service provider will take place within 5 days of appointment of the service provider which must be attended by all individuals who will be working on the project. The 3 week's timeframe for completion of the project will commence from the date of this meeting. This meeting will take place at the Staff Resident address.
- 5.3** All deliverables and reports must be submitted to the Mission within a maximum period of three weeks.

6. BID EVALUATION METHODOLOGY

All bids received will be evaluated in three phases which are: responsive criteria, functionality criteria and price.

6.1 Phase 1: Responsiveness Criteria

Potential Service Providers must comply with all minimum requirements in order to qualify for the next stage of the evaluation process. Non submission will result in disqualification. The minimum requirements which must be fully and comprehensively complied with are as follows:

All documents must be submitted in English

ITEM	REQUIREMENT	SUBMITTED	NOT SUBMITTED
6.1.1	Certified copy of a valid Tax Clearance certificate		
6.1.2	Certified copies of registration as a professional valuer		
6.1.3	Compulsory Briefing Session on site: 221A, 22 nd Floor, Avenida Nossa Senhora de Sabara, 400		

6.2 Phase 2: Functionality Criteria

An evaluation panel will evaluate all responsive bids on the functionality criteria listed below. A bidder that scores less than 60% in respect of functionality will be regarded as having submitted a non-responsive bid and will be disqualified.

For purpose of comparison and in order to ensure meaningful evaluation, bidders are requested to furnish detailed information in substantiation of compliance to the evaluation criteria listed below:

FUNCTIONALITY CRITERIA		WEIGHT
Company Profile, knowledge and experience	<p>The service provider must submit a company profile/s which demonstrates at least 5 years of experience in preparing conditions assessments and performing valuations.</p> <p>The service provider must submit a list of 5 or more residential/office building conditions surveys completed in the last 5 years with contactable references.</p> <p><u>Scoring matrix:</u> Submission of 10 or more residential/office conditions surveys completed with contactable references for each survey, completed in the last 5 years = 5 points</p> <p>Submission of 8-9 or more residential conditions surveys completed with contactable references for each survey, completed in the last 5 years = 4 points</p> <p>Submission of 6-7 residential conditions surveys completed with contactable references for each survey, completed in the last 5 years = 3 points</p> <p>Submission of 5-6 residential conditions surveys completed with contactable references for each survey, completed in the last 5 years = 2 points</p> <p>Submission of less than 5 residential conditions surveys completed with contactable references for each survey, completed in the last 5 years = 1 point</p> <p>Non Submission of residential conditions surveys completed with contactable</p>	40

	references for each survey, completed in the last 5 years = 0 points	
Knowledge and Experience	<p>The project structure is expected to include at least one professional registered architect and/or one professional registered quantity surveyor with experience in property conditions assessments and valuations.</p> <p>The service provider must furthermore submit a CV of each team member, clearly indicating –</p> <ol style="list-style-type: none"> a) Qualifications and proof thereof; b) Professional registration with relevant building profession council (if applicable) and proof thereof; c) Experience (if applicable) in performing conditions surveys. <p><u>Scoring matrix:</u></p> <p>The addition of an assessor and/or local real estate professional and 15 years combined team experience in performing conditions assessments = 5 points</p> <p>The addition of an assessor and/or local real estate professional and 10 years combined team experience in performing conditions assessments = 4 points</p> <p>Detailed team structure including architect and quantity surveyor, with CV's and including young professionals, 5 years combined team experience in performing conditions assessments = 3 points</p> <p>Detailed team structure including architect and quantity surveyor, with CV's and including young professionals, with less than 5 years combined team experience in performing conditions assessments = 2 points</p> <p>Submission of CVs of team members without proof of qualifications = 1 point</p> <p>Non submission of CVs of team members = 0 points</p>	40
Methodology to deliver the project	<p>The service provider must submit a written methodology on how the project will be executed. Such methodology must indicate the resources, sequencing of activities to achieve the deliverables within the specified timeframe.</p> <p><u>Scoring matrix:</u></p> <p>Detailed write up corresponding with project plan to complete the project In less than 2 weeks = 5 points</p> <p>Detailed write up corresponding with project plan to complete project in 2 weeks = 4 points</p> <p>Detailed write up corresponding with project plan to complete project in 3 weeks = 3 points</p> <p>Detailed write up corresponding with project plan to complete project in 4 weeks = 2 points</p> <p>Detailed write up corresponding with project plan to complete project in more than 4 weeks = 1 point</p> <p>Non submission of a detailed write up corresponding with project plan = 0</p>	20

6.3 Phase 3: Price

- 6.3.1 The final stage of evaluation will be the price evaluation. Bidders that scored a minimum of 60% in respect of the functionality criteria will be evaluated on price.
- 6.3.2 Only Annexure C will be accepted as the pricing schedule (quotation) to be used for this bid.
- 6.3.3 The service provider is to submit an all-inclusive price, with a breakdown of the cost per deliverable, in Local currency R\$ Brazilian Real (incl Taxes).

6.4 Compulsory on site briefing session.

- 6.4.1 All prospective service providers must avail themselves for a compulsory on site briefing on the 9 December 2021.

7. CONTACT PERSONS AND SUBMISSIONS

- 7.1.1 All enquiries may be directed to the South African Consulate's Consul Administration: Mr Masombuka ME at masombukam@dirco.gov.za, Tel: 55 (11) 3265-0449 and Mr Fabio Borinato at borinatof@dirco.gov.za, Tel: 55 (11) 3265-0449
- 7.1.2 Prospective service providers should submit their proposals to: Avenida Paulista 1754, 12o andar, Cerqueira César - CEP 01310-920, São Paulo - SP
- 7.1.3 Submissions should be emailed to the above mentioned email addresses on or before 12h00 on the closing date, which is 17 December 2021.
- 7.1.4 Prospective service providers are encouraged to submit their proposals before the closing date and time as late submissions will not be accepted.
- 7.1.5 All prospective service providers must attend the compulsory briefing session on site on the 9 December 2021 at 10h00.
- 7.1.6 Kind confirm attendance not later than 6 December 2021, 12h00.

8. GENERAL AND SPECIAL CONDITIONS

- 8.1** The Government Procurement: General Conditions of Contract (“GCC”) will be applicable to this bid
- 8.2** The bidder shall bear all costs associated with the preparation and submission of the proposal. The Mission will not be liable for any costs regardless of the outcome of the proposal.
- 8.3** The Government of the Republic of South Africa through its Consulate General reserves the right to sign a Service Level Agreement with the successful bidder to supplement the GCC. The GCC and the service level agreement will among others, govern the relationship between the parties; ensure that services are provided according to specified standards and within stipulated timeframes; and to provide for remedies for under/poor performance and non-compliance with terms and conditions of the service level agreement.
- 8.4** The Government of the Republic of South Africa through its Consulate General reserves the right to appoint more than one service provider. The Government of the Republic of South Africa through its Consulate General also reserves the right not to appoint any service provider.
- 8.5** The bid evaluation will only be done on the basis of information that was requested and provided. The comprehensiveness of the tender proposal can therefore be decisive in awarding thereof.
- 8.6** The bid evaluation process does not obligate the Government of the Republic of South Africa through its Consulate General to make use of any proposed services. Acceptance of any proposal shall only indicate a willingness to include the information into an analysis or to commence negotiations and shall not place any other duties or liabilities on the Government of the Republic of South Africa through its Consulate General. The Government of the Republic of South Africa through its Consulate General shall have no obligation to furnish any formal acceptance or non-acceptance of any information presented.
- 8.7** All documents and deliverables must be submitted in hard copy, approved by the project leader, as well as electronically (per USB).
- 7.8** The Government of the Republic of South Africa through its Consulate General reserves the right and full discretion to:
- 7.8.1** Withdraw from this process and the provisions of the bid at any time;
- 7.8.2** Cancel this bid at any time and all subsequent proposals may be rejected in whole or in part.
- 7.8.3** Change the dates of adjudication and submission;
- 7.9** The Government of the Republic of South Africa through its Consulate’s decisions will be final and no correspondence will be entered into from the closing date of

submissions until after the selection process has been completed. Bidders will be formally notified of the outcome of the bid.

9. BID VALIDITY PERIOD

The bid must be valid for 120 days from the closing date of the bid.

9. CONTACT PERSONS AND SUBMISSIONS

- 9.1 Any clarifications needed during the bidding process must be addressed in writing to Mr Masombuka Marothi at email: masombukam@dirco.gov.za, Tel: +55 (11) 3265-0449.
- 9.2 Any queries relating to the completion of the documents must be addressed in writing to Mr Fábio Borinato at email borinatof@dirco.gov.za, per telephone +55 (11) 3265-0449

ANNEXURE A: BUILDING RATING SCALE

RATING	STATUS	DEFINITION OF RATING / CONDITION OF BUILDING ASSET
5	Excellent	<ul style="list-style-type: none"> • No defects • As new condition and appearance
4	Good	<ul style="list-style-type: none"> • Minor defects • Superficial wear and tear • Major maintenance not required
3	Fair	<ul style="list-style-type: none"> • Average condition • Significant defects are evident • Services are functional but needs attention • Deferred maintenance work exist
2	Poor	<ul style="list-style-type: none"> • Badly deteriorated • Potential structural problems • Inferior appearance • Major defects • Components fail regularly
1	Very Poor	<ul style="list-style-type: none"> • Building has failed • Not operational • Unfit for occupancy or normal use • Environmental / contamination / pollution issues exist

ANNEXURE B: MAINTENANCE PRIORITY RATING SCALE

PRIORITY RANKING	DEFINITION
1	Works needed to – <ul style="list-style-type: none"> • Meet maintenance related statutory obligations and due diligence requirements; • Ensure health and safety of building occupants and users; • Prevent serious disruption of building services and/or may incur higher costs if not addressed within 1 year
2	Works that – <ul style="list-style-type: none"> • Affect the operational capacity of the building; • Are likely to lead to serious deterioration and therefor higher future repair costs if not addressed between 1 to 2 years
3	Works that – <ul style="list-style-type: none"> • Have minimal effect on the operational capacity of the building but are desirable to maintain the quality of the workplace; • Are likely to require rectification within 3 years
4	Works that – <ul style="list-style-type: none"> • Can be safely and economically deferred beyond 3 years and reassessed at a future date

ANNEXURE C: DETAILED PRICING SCHEDULE

Specification	Number of hours	Cost per hour	Total cost
Phase 1			
A clear full photographic record of each property, including map location and assessment of desirability of the area			
Building plans as recorded by the local council			
As built building plans			
A comparison between recorded building plans and as built plans highlighting differences, if any			
Present value of the land without structures			
Present value of the building and structures			
Local council documents including zoning certificate, variances or restrictions; schedule of building code violations, title deeds and most recent municipal valuations			
Detailed written conditions assessment of both the exterior and interior of the property, which should include at least the following:			
a) Site and grounds – including but not limited to pavements, landscaping, site drainage, walls, lighting, fencing			
b) Structural systems – including but not limited to foundations, columns and roofs			
c) Building envelope – including but not limited to roofing systems, exterior finishes, stairs and steps, exterior doors and windows			
d) Interior building components – including but not limited to ceilings and floors			
e) Mechanical systems – including but not limited to electrical, heating ventilation and air conditioning, plumbing			
f) Safety and Code compliance - building compliance with Namibian health and safety legislation			
Phase 2			
Overall recommendation per			

Specification	Number of hours	Cost per hour	Total cost
property with indicative costing attached to each option			
Detailed maintenance plan per facility with indicative costing, identifying immediate repair priorities as well as planned and preventative maintenance per year over the next 5 years			

ANNEXURE D : FORMAT FOR VALUATION REPORT

1. GENERAL

1.1 INSTRUCTION

This item must reflect, inter alia, the date of receipt of instruction and the name of the person and organisation from which the instruction was received (hereinafter referred to as the Department).

1.2 PURPOSE OF VALUATION

The intended purpose for which the valuation is requisitioned must be set out here. This could be, among others, for the purpose of determining an appropriate market price for the acquisition or disposal of immovable property by the Department.

1.3 DATE OF INSPECTION

1.4 DATE OF VALUATION

1.5 EXECUTIVE SUMMARY

Definition of open market value

A short summary of the valuation process employed and the amount of the valuation must be reflected here.

2. PROPERTY DESCRIPTION

2.1 TITLE DEED INFORMATION

2.1.1 Title deed description

2.1.2 Land surveyor diagram

2.1.3 Extend of land gross m²

2.1.4 Purchase price and date of acquisition

2.1.5 Registered owner

The name, address and contact numbers of the owner (by telephone and fax must be reflected).

2.1.6 Servitudes, Conditions and Endorsements

(Usually registered against the title deed of the property)

2.1.7 Mineral Rights

If the current owner also owns the mineral rights, this must be reflected. If the mineral rights are held by someone other than the owner of the surface rights, the name of such mineral rights holder and the registration number of his holding title to such rights, are required.

2.2 PHYSICAL DESCRIPTION

2.2.1 Physical address

2.2.2 Locality and neighbourhood

2.2.3 Soil Conditions

2.2.4 Shape of stand (Frontage and depth)

2.2.5 Topography and flood lines

2.2.6 Access to premises

Items 2.2.3 and 2.2.5 may (in appropriate circumstances) not be applicable, especially where improvements have been affected to the land.

2.2.7 Municipal services

- **Water supply**
- **Electrical supply**
- **Sewerage disposal**
- **Storm water disposal**
- **Refuse disposal**
- **Tar/gravel roads**
- **Street lighting**

2.3 IMPROVEMENTS

2.3.1 Construction

A description and specification of the improvements on the subject property.

2.3.2 Area of improvements/buildings

2.3.3 Orientation

2.3.4 Accommodation

The extent i.e. number of rooms for different uses and their functional efficiency must be reflected.

2.3.5 Condition of building

Both external and internal reflecting in particular, structural defects (if any), as well as the cost of renovations and maintenance necessary to remedy and neglected state of repair.

2.4 AMENITIES AND SERVICES

3. CENTRAL AND PROVINCIAL GOVERNMENT INFORMATION

Particulars of all laws governing the use of the property that has been valued must be specified.

3.1 LOCAL GOVERNMENT INFORMATION

3.1.1 Name of Local Authority

3.1.2 Municipal valuation

The current valuation of the property as reflected in any official valuation records must be reflected here.

3.1.3 Municipal rates and levies

The amount of rates, taxes and other charges payable to local authorities per annum, other than for utilities (e.g. water and electricity consumption) must be reflected here.

3.1.4 Town planning and zoning requirements

Particulars concerning the legal use to which the subject property may be put, uses that are prohibited, building restrictions in terms of town planning requirements and relevant information of this kind, must be reflected here

4. POTENTIAL AND HIGHEST/BEST USE

Whether the existing use represents the highest/best use of the property or whether it has the potential for any more advantageous and legally permissible alternative use, must be reflected here.

4.1 LAND USE RESTRICTIONS

Where such alternative highest/best use would necessitate the amendment of land use restrictions, the report should reflect-

- alternative land uses / possible relaxation of restrictions;
- probability of successfully applying for such amendments;
- probable time within which such amendments could be achieved; and
- an estimation of legal and professional costs likely to be incurred.

4.2 ALTERATION OF EXISTING BUILDING STRUCTURE

Where such alternative highest/best use would be necessitate the alteration of the existing building structure, the report should reflect –

- a description of such alterations;
- an estimation of its cost; and
- an estimation of professional fees likely to be incurred

5. METHOD OF VALUATION

This must be recorded and the suitability of the method used must be justified. The method of direct comparison with sales in the open market is the preferred method of valuation.

6. MARKET RESEARCH

The factors listed herein constitute the heart of the valuation report and must be meticulously reported on.

6.1 PRESENT STATE OF THE PROPERTY MARKET

This should include a discussion on the state of the economy, the state of the property market in general, the property cycle and considerations of supply and demand.

6.2 RENTALS (ASKING, ACTUAL AND MARKET RENTALS)

6.3 CAPITALISATION RATES

6.4 COMPARABLE SALES

6.5 ANALYSIS OF MARKET RESEARCH

Including a discussion on the acceptance or rejection of data.

6.6 CONCLUSION ON MARKET RESEARCH

7. MOTIVATION FOR ADJUSTMENTS TO MARKET RESEARCH

8. VALUATION

9. FINAL CONCLUSION AND MARKET VALUE

10. DECLARATION

- Certification

- No interest in subject property
- Fair value
- Best ability