



RFP UJ 67/2024:

APPOINTMENT OF A PANEL OF ASSET VALUATORS IN ASSET VALUATION FOR A PERIOD OF THREE YEARS WITH THE OPTION TO EXTEND FOR AN ADDITIONAL TWO YEARS

1. Introduction

Vibrant, multicultural and dynamic, the University of Johannesburg (UJ) shares the pace and energy of cosmopolitan Johannesburg, the city whose name it carries. Proudly South African, the university is alive down to its African roots, and well-prepared for its role in actualising the potential that higher education holds for the continent's development. UJ has transformed into a diverse, inclusive, transformational and collegial institution, with a student population of over 50 000, of which more than 3000 are international students from 80 countries. This makes UJ one of the largest contact universities in South Africa (SA) from the 26 public universities that make up the higher education system.

UJ has four campuses namely, UJ Auckland Park Kingsway Campus, UJ Auckland Park Bunting Road Campus, UJ Doornfontein Campus and UJ Soweto Campus, which are located in Johannesburg.

The vision of the UJ is to be "an international University of choice, anchored in Africa, dynamically shaping the future". The mission can be described as follows: "inspiring its community to transform and serve humanity through innovation and the collaborative pursuit of knowledge". These are underpinned by four values, namely: imagination, conversation, regeneration and ethical foundation. The six strategic objectives provide a focused means for realising the Vision, Mission and Values of the University as set out above. They further represent a re-working of the original UJ Strategic Thrusts 2020 in the context of a wider positioning of the University as "The Pan-African" Centre for Critical Intellectual Inquiry, with the primary goal of achieving global excellence and stature.

UJ's strategic goals include:

- Excellence in Research and Innovation;
- Excellence in Teaching and Learning;
- An International Profile for Global Excellence and Stature;
- Enriching Student-Friendly Learning and Living Experience;
- Active National and Global Reputation Management; and
- Fitness for Global Excellence and Stature.

The University is committed to complying with the following acts:

- Higher Education Act, 1997 (Act No.101 of 1997, as amended) which includes the reporting requirements stipulated by the Department of Higher Education and Training;
- Companies Act, 2008 (Act 71 of 2008)
- Property Evaluation Act, 2014 (Act 17 of 2014)
- International Financial Reporting Standards (IFRS)
- Municipal Property Rate Act, 2014 (Act 29 of 2014)
- Practice effective management and leadership, transparency, accountability, responsibility, accuracy and mitigating exposure to losses by responsible risk-taking and well-defined risk strategies; and
- Adhere to ethical values and standards in all aspects of business.

2. Partnership Desired

The University of Johannesburg seeks to appoint a panel of suitable service provider/s that can provide asset valuation services to the University of Johannesburg to calculate the Replacement Cost for insurance and tax purposes, the Fair value and Market values for Financial Reporting purposes. The process will include the calculation and reporting of values for certain movable and immovable assets owned by the University of Johannesburg.

The selected service provider(s) will share in the mission and business objectives of UJ. These mutual goals will be achieved by meeting contractual requirements and new challenges in an environment of teamwork, joint participation, flexibility, innovation and open communication. In this spirit of partnership, UJ and its service providers will apply themselves to enhancing current practices and enabling processes and systems. Such a partnership will allow UJ to reach higher levels of quality and service.

The successful bidder will be expected to provide expertise and services related one or multiple areas of the procedures listed in clause 5.2 below.

Specifically, UJ seeks to benefit from this partnership in the following ways:

- UJ must receive comprehensive and value-adding services from the service providers.
- UJ's overall competitive advantage must be strengthened by the chosen service provider's leading-edge technology and service delivery systems.

3. Management Arrangement

The service will be outsourced to the service provider/s in accordance with the scope of work required. The successful service provider(s) would be required to provide the best possible project plan, which would serve the interests of both parties.

The successful service provider/s should ensure they have the necessary and relevant expertise and experience to perform asset valuation adequately and on time.

4. Requirements

4.1. The following requirements should apply:

- Determine a market value to provide a common ground for financial transactions and determine the estimated replacement cost which provides valuable insights

for insurance purposes, financial planning, investment analysis, and understanding the asset's value beyond just its market price.

- Ensure an updated and accurate asset register that provides a snapshot of the values of all assets within their locations, departments, and cost centres will add significant value to the University.
- Ensuring that assets are correctly and reliably reported on through the UJ Asset Register and Financial Statements, providing values according to IFRS 13 Fair Value Measurement, as well as adding efficiency to the audit process and increasing stakeholder confidence.

4.2. A company bidding for the service should have the following:

- The service provider/supplier must have minimum of 5 years of experience in asset valuation.
- Service provider(s) must provide at least five (5) contactable references of clients, along with details of the service conducted. Reference letters must indicate work.
- The Project lead should be registered with the relevant professional body such as the South African Council for the Property Valuers Profession (SACVPV) (Mandatory), South African Institute of Valuers, Royal Institute of Chartered Surveyors (RICS) and they are offering and have at least 10 years' experience in asset valuations.
- The project lead who will be determining the fair value measurement must be registered with the South African Institute of Chartered Accountants (SAICA) or certified in accordance with their professional affiliation to the service they are offering, completed within the last five (5) years and refer to similar services as to the scope required in this tender.
- Service provider(s) must have worked on large scale projects (Annexure with the value of UJ assets will be provided).
- Service provider(s) must demonstrate ability and capacity to carry out the function in according to the norms and standards of the function
- Rates and Terms and Conditions will inform the tender submission to obtain a comparative rate per hour.
- Scope of engagement must be all-inclusive with no separate invoicing where services may be subcontracted.

5. Scope of work

The service provider(s) will be required to determine the Replacement Cost, Fair Value and Market Value for movable and immovable assets owned by UJ, including assessment of land, buildings & improvements; compare with any drawings, approved plans and layout, and calculate the overall cost of improvements for various campuses' academic and administration buildings, research, sport and recreational facilities, libraries, residences, infrastructure and off-campus buildings, as per asset portfolio schedule provided, (Annexure will be provided).

Compile the asset register and update in the UJ asset tool with key identifying specifications; do an impairment assessment and present a desktop impairment analysis tool to calculate asset impairment on an annual basis.

6. Procedures and deliverables

- 6.1 The Service Provider shall apply and uphold the following guiding principles:
 - 6.1.1 Reflect Professionalism and Diligence in their duties,
 - 6.1.2 Refrain from engaging in any illegal or unethical or illegal conduct, or any activity which would constitute a conflict of interest,
 - 6.1.3 The Service Provider shall at all times, exhibit the highest level of integrity in the performance of all professional assignments and will accept only assignments for which there is reasonable expectation that the assignment will be completed with professional competence,
 - 6.1.4 The Service Provider shall at all times, show the highest level of confidentiality in the performance of their valuation duties.
- 6.2 The service provider will be required to provide a clear description of each asset, including its characteristics, condition, and any relevant data.
- 6.3 Disclosing any key assumptions made during the valuation process and any limitations of the methodology or data used.
- 6.4 Presenting the figures of the asset's Replacement Cost and Fair value based on the chosen methodology and analysis.
- 6.5 Present the final comprehensive valuation report in the agreed format, including any annexures (e.g., hard copy, electronic file).
- 6.6 Addressing any questions or clarifications raised by the client regarding the valuation report.

7. Project Information – supplier responsibility

- 7.1 The service provider or consultants must ensure that its staff maintains individual objectivity by remaining independent of the activities they perform.
- 7.2 The service provider will be managed against agreed deliverables and timelines.
- 7.3 UJ reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period.
- 7.4 The service provider shall have no managerial powers, functions or duties except those relating to the project.

8. Authority

The service provider shall have access to sites for physical inspection of assets as well as electronic information residing on computer systems. However, they must safeguard any assets or information that they examine and maintain the confidentiality of all information according to the Protection of Personal Information (POPI) Act and Confidentiality Agreement.

9. Content of RFP Proposal

The proposal should at least include the following:

- 9.1. Company profile, including references, type of ownership, expertise etc.
- 9.2. Deliverables that can be expected in terms of the requirements and scope of work listed above.
- 9.3. An organisational structure and/or list of partners, managers and specialists who will form the team, together with their curriculum vitae and professional body affiliations. A curriculum vitae of the consultant.
- 9.4. Demonstrate the knowledge and understanding of the applicable laws and regulations e.g. Property Valuation Act No.17 of 2014.
- 9.5. Reference to the experience base of the valuation team members that will be directly involved with the project.
- 9.6. A breakdown of the hourly tariffs and disbursement rates for services to be rendered.

10. Duration of Contract

The contract is expected to run for three years with an option to extend for an additional two years, commencing on the date of signing the Service Level Agreement.

11. Evaluation Criteria

The tender will be evaluated in three (3) stages

- Stage 1: Tender Administrative Compliance
- Stage 2: Technical Evaluation (Compliance with technical requirements), then presentations
- Stage 3: Price and B-BBEE (80/20)

Bids will be evaluated in accordance with the University's Procurement Policy as published on the UJ Website.

The following criteria will be considered during the evaluation process:

- Expertise and experience of the company.
- Ability to allocate a dedicated team or individual to this engagement.
- Staff capacity, qualifications, expertise and experience of the team members directly involved with the project.
- Understanding of UJ's requirements, and the firm's experience with Large Organisations.
- Competitive rates based on the level and experience of the staff involved in the investigation.
- Transformation initiatives within the firm.
- In the adjudication of the bid, points will be given for Broad Based Black Economic Empowerment in line with Government policies and guidelines. Certificates of rating should be attached as proof.