



PUBLIC INVESTMENT
CORPORATION®

Est. 1911



REQUEST FOR PROPOSAL FOR APPOINTMENT OF A SERVICE PROVIDER TO PERFORM EXTERNAL INDEPENDENT VALUATION SERVICES.

The Public Investment Corporation (SOC) Limited (PIC) is a state-owned asset management company which manages funds on behalf of various public sector funds. The PIC Properties division provides asset management services for the unlisted property portfolios of various clients; notable clients are the Government Employees Pension Fund (GEPF), the Unemployment Insurance Fund (UIF) and the Compensation Fund (CF). The PIC is inviting external professional investment property valuers to perform annual independent valuations services.

The submission of bids is divided into two separate sections:

(Directly Held) Bid reference number: PICPROP001/10/2023

(Indirectly Held) Bid reference number: PICPROP002/10/2023

Closing date for the submission of proposals is Monday, 06 November 2023, at 16H00.

A non- compulsory virtual briefing session will be held on Wednesday, 11 October 2023 at 10H00 to 12H00.

Please use meeting details to join or forward emails address to tenders3@pic.gov.za to be added to the meeting invite.

Meeting ID: 322 153 757 630

Passcode: MJ2ZBC

<https://www.pic.gov.za/pic/tenders/properties-procurement> from Tuesday, 10 October 2023.

All enquiries should be directed to: tenders3@pic.gov.za

BID NO: PICPROP001/10/2023 REQUEST FOR PROPOSAL

TO APPOINT SUITABLY QUALIFIED SERVICE PROVIDERS TO CONDUCT INVESTMENT VALUATIONS FOR A PERIOD OF THREE YEARS FOR THE DIRECTLY HELD PORTFOLIO

Bid Number : **PICPROP001/10/2023**
Closing Date : 06 November 2023
Closing Time : 16:00 pm Central Africa Time (CAT)
Submission : tenders3@pic.gov.za

Non-Compulsory Virtual Briefing Session: 11 October 2023, 10:00-12:00

Please use meeting details to join or forward emails address to tenders3@pic.gov.za to be added to the meeting invite.

Meeting ID: 322 153 757 630

Passcode: MJ2ZBC

Public Investment Corporation

Contents

Definitions and Abbreviations	3
1. Enquiries	4
2. Bid Validity Period	4
3. Instructions on submission of Bids	4
4. Preparation of Bid Response	4
5. Enterprise and Supplier Development	4
6. Bid and Standard Terms and Conditions of Appointment	5
.....	5
7. Response Format (Returnable Schedules)	6
8. Evaluation Criteria and Weightings	8
SECTION 2: FUNCTIONAL REQUIREMENTS SPECIFICATION	12
1. Background	12
2. Objective	12
3. Overview of the Directly held properties	12
2. DECLARATION OF INTEREST	20

Definitions and Abbreviations

- 1.1 **B-BBEE** status level of contributor means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of good practice on Black Economic Empowerment, issues in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 1.2 **Bid** means a written offer in a prescribed or stipulated form in response to an invitation by PIC for the provision of goods and services, through price quotations, advertised competitive tendering processes or proposals;
- 1.3 **BBBEE Act** means the Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 1.4 **Consortium or joint venture** means an association of persons for the purpose of combining their expertise, property, capital, skill and knowledge in an activity for the execution of a contract;
- 1.5 **Function** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account among other factors, the quality, reliability, viability and durability of service and the technical capacity and ability of a bidder;
- 1.6 **Ownership** means the percentage ownership and control, exercised by individuals within an enterprise;
- 1.7 **PIC** means Public Investment Corporation on behalf of clients;
- 1.8 **POPIA** means the Protection of Personal Information Act, 2013 (Act No 4 of 2013);
- 1.9 **SANAS** means the South African National Accreditation System;
- 1.10 **Validity Period** means the time period for which price quotation for the provision of goods and services shall remain valid, in this case, being a period of 90 (one hundred and eighty) days;

1. Enquiries

- 1.1 All communication and attempts to solicit information of any kind relative to this RFP should be channeled in writing to:

Email : Tenders3@pic.gov.za

- 1.2 Enquiries in relation to this RFP will not be entertained after **11h00 (CAT) Date: 23 October 2023**

2. Bid Validity Period

Responses to this RFP received from bidders will be valid for a period of 90 days counted from the bid closing date.

3. Instructions on submission of Bids

- 3.1 Bids should be submitted electronic copy in PDF format. All bidders who attend the compulsory briefing session will be provided with a **one drive** link to submit their bids. 16:00 pm Central Africa Time (CAT) on **Monday, 06 November 2023**.
- 3.2 Bids must be submitted in the prescribed response format, herein reflected as Response Format.
- 3.3 Where a bid response is not received by the closing date and time, such a bid document will be regarded as a late bid. It is the PICs policy not to consider late bids for tender evaluation.
- 3.4 Amended bids may be sent marked "Amendment to bid **PICPROP001/10/2023** and should be emailed before the closing date and time.

4. Preparation of Bid Response

- 4.1 All the documentation submitted in response to this RFP must be in English.
- 4.2 The bidder is responsible for all the costs that it shall incur related to the preparation and submission of the bid document.
- 4.3 The bidder should check the numbers of the pages of its bid to satisfy itself that none are missing or duplicated. No liability will be accepted by PIC regarding missing or duplicated pages.
- 4.4 Bidder's tax affairs with South African Revenue Service or the relevant jurisdiction of the bidder's domicile must be in order (tax compliant status) and bidders must provide proof as part of their tender response.

5. Enterprise and Supplier Development

The PIC promotes enterprise development. In this regard, successful bidders may be required to mentor SMMEs and/ or Youth-Owned businesses. The implications of such arrangement will be subject to negotiations between the PIC and the successful bidder.

6. Bid and Standard Terms and Conditions of Appointment

- 6.1 The PIC reserves the right not to accept the lowest priced bid or any bid in part or in whole. It normally awards the contract to the bidder who proves to be fully capable of handling the contract and whose bid is functionally acceptable and/or financially advantageous to the PIC.
- 6.2 The PIC reserves the right to award this bid as a whole or in part.
- 6.3 The PIC reserves the right to withdraw or amend these terms of reference by notice in writing to all parties who have received the terms of reference prior to the closing date.
- 6.4 The cost of preparing of bids will not be reimbursed.
- 6.5 PIC reserves the right to reject bids that are not according to specification/Terms of Reference. Bidders must clearly indicate compliance or non-compliance with specification/Terms of Reference.
- 6.6 Bidders shall not contact PIC on any matter pertaining to their bid from the time the bids are closed to the time the bid has been adjudicated. Any effort by a bidder to influence the bid evaluation, bid comparisons or bid award decisions in any matter, may result in rejection of the bid concerned.
- 6.7 PIC shall reject a submission if the bidder has committed a proven corrupt or fraudulent act in competing for a particular contract.
- 6.8 PIC may disregard any submission if that bidder, or any of its directors:
- a) Have abused the Supply Chain Management (SCM) system of any Government Department/ institution.
 - b) Have committed proven fraud or any other improper conduct in relation to such system.
 - c) Have failed to perform on any previous contract and the proof thereof exists.
 - d) Is restricted from doing business with the public sector if such a supplier obtained preferences fraudulently or if such supplier failed to perform on a contract based on the specific goals.
- 6.9 PIC may prior to the award of a bid, cancel a bid if:
- a) Due to changed circumstances, there is no longer a need for the goods or services requested.
 - b) Funds are no longer available to cover the total envisaged expenditure.
 - c) No acceptable bids are received.
- 6.10 Bids received late shall not be considered. A bid will be considered late if arrived only one second after 11:00 (CAT) or any time thereafter.
- 6.11 The successful bidder accepts full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on him/her under the supply agreement and SLA to be concluded with the PIC, as the principal(s) liable for the due fulfilment of such contract.
- 6.12 PIC reserves the right to consider the guidelines and prescribed hourly remuneration rates for consultants as provided in the National Treasury Instruction 01 of 2013/2014: Cost Containment Measures, and/or SACPVP Professional fees for 2022/2023 where relevant.
- 6.13 PIC reserves the right to request all relevant information, agreements and other documents to verify information supplied in the bid response. The bidder hereby gives consent to the IPC to conduct background checks, including FICA verification, on the bidding entity and any of its directors / trustees / shareholders / members.

- 6.14 PIC reserves the right, at its sole discretion, to appoint any number of vendors to be part of this panel of service providers.
- 6.15 This appointment is considered to have come into force only after the necessary signatures have been appended by the delegated officials of both parties.
- 6.16 The appointed service provider(s) shall not without prior consent of PIC cede or assign any of the benefits and obligations under this appointment.
- 6.17 The appointed service provider(s) shall at its on cost and expense maintain professional indemnity insurance and public liability insurance in an amount and for the duration specified in the contract to which these general conditions of appointment relate.
- 6.18 PIC may give written notice to the Service Provider at any time of its intention to abandon the services, in whole or in part, or to terminate this appointment. The effective termination date of this appointment shall be agreed between the parties.
- 6.19 The appointed service providers shall comply strictly with every applicable law, by-law and ordinance including every regulation, code of conduct or other directive to which the Service Provider may be subject to in its professional capacity.
- 6.20 All copyright arising in and to all documents, plans, designs and other material of whatever nature prepared or produced by the Service Provider in the course and scope of its appointment shall be and remain vested in PIC for which purpose the Service Provider cedes to PIC all such copyright.
- 6.21 Should circumstances arise which call for modifications of the appointment, these may be made by mutual consent given in writing. Proposals in this respect from one party shall be given due consideration by the other party.
- 6.22 PIC may respond to any enquiry in its absolute discretion and the bidder acknowledges that it will have no claim against the PIC on the basis that its bid was disadvantaged by lack of information, or inability to resolve ambiguities.
- 6.23 By submitting a bid in response to the RFP, the bidder will be taken to offer to render all or any of the services described in the bid response submitted by it to the IPC on the terms and conditions and in accordance with the specifications stipulated in this RFP document.
- 6.24 Professional Associated Valuers with restrictions will be subject to evaluation committee interviews and the appointment will be at PIC's discretion.
- 6.25 Service providers who achieved 70% score and above during the evaluation process but does not get to be appointed will form part of the valuation Panel for a period of three years.
- 6.26 PIC reserves the right to request presentations from short-listed bidders.
- 6.27 No bidder would be awarded more than two portfolio.

7. Response Format (Returnable Schedules)

Bidders shall submit their bid responses in accordance with the response format specified below (each schedule must be clearly marked):

7.1 **Schedule 1:**

- Executive Summary of the company,
- Understanding of the RFP and proposed solution including sample reports and other documentation that will assist PIC in Phase 2 of the evaluation.

7.2 **Schedule 2:**

- Completed SBD forms
- Proof of Registration of the entity (CIPC Document)
- Professional Indemnity
- JV agreement, Subcontracting agreement or partnership agreement where applicable
- Certified copies of Identification documents for the Directors
- Originally certified copy of ID document for the Company Directors
- Valid B-BBEE verification certificate for South African companies. indicating the contribution level of the bidding entity or Sworn affidavit.

Notes: An entity Exempted Micro Enterprises (EME) with an annual turnover less than

R10 million, is only required to obtain a sworn affidavit confirming the annual total revenue and level of black ownership. A Qualifying Small Enterprise (QSE) that has 51% or more black beneficiaries may obtain a sworn affidavit confirming the annual total revenue and level of black ownership. If a bidder is a Joint Venture or Consortium, the bidder **must** submit a consolidated B-BBEE scorecard as if they were a group structure. Any misrepresentation in terms of the declaration constitutes a criminal offence as set out in the B-BBEE Act as amended.

- **Consolidated SANAS Accredited B-BBEE certificate in case of Joint Venture.**
- CSD report
- Valid and registration with the relevant Professional valuers' institution. In South this will be South Africa Council of Property Valuers Profession (SACPVP).
- Registration certificates of all practicing valuers in the company including specialist to be utilized. A professional valuer with no restrictions who will sign off on all PIC report will be a minimum requirement.
- Valid tax Clearance (SARS PIN Number)

8. Evaluation Criteria and Weightings

8.1 Bids shall be evaluated in terms of the following process:

8.2 Phase 1: Compliance Phase & Pre-qualification

During this phase, bid responses will be reviewed for purposes of assessing compliance with RFP requirements including the general bid conditions and also the Specific Conditions of Bid, which requirements include the following.

- Bidders Must Meet A Minimum B-BBEE Status Level of Contributor of 1-4
- Bidders Must Have A Minimum of 51% Black Ownership
- Submission of a CSD report as referenced.
- Submission of ID copy for the Company Directors/Shareholders
- Submission of Standard Bidding Documents
- Submission of NDA
- SARS PIN Number
- Submission of a JV agreement/Subcontracting agreement duly signed by all parties (only if applicable)
- Valid B-BBEE verification certificate for South African companies. indicating the contribution level of the bidding entity or Sworn affidavit.
- **Valid Consolidated SANAS Accredited B-BBEE certificate in case of Joint Venture**
- Submission of professional registration with the South African Council for the Property Valuers Profession (SACPVP) or equivalent.
- Bidders must submit a signed Consent form.

Failure to comply with the requirements in Phase 1 (compliance), may lead to disqualification of bids.

8.3 Phase 2: Technical/ Functionality Evaluation

Bidder, who scores below 70 points, will not go through to the next level of evaluations. presentations will form part of the evaluation. (Bidder who scores 70 or more points out of 100 points be evaluated on Price and B-BBEE. - Short-listed service providers will be required to do Presentation of a fully motivated valuation report to PIC

Criteria	Functionality Requirements for Service providers	Weighting	Mandatory Requirement ¹
A Experience			
1.	List of top five largest properties valued within the past 24 months in terms of GLA:	20	Yes
2.	List of top two portfolios valued within the past 24 months in terms of GLA:		
3.	One or more (up to three) reference letters from clients for valuation of investment grade properties was undertaken in the past 24 months (preferably institutional investors / or asset manager clients). Proof of valuation experience in the valuation of investment properties: Investment grades properties or Listed property funds.		
B Methodology			
4.	Explanation of the valuation methodology to be used for tenanted commercial property, residential property & land valuations.	10	Yes
5.	One sample report showing scope and detail to be included in the proposed property valuations. Motivation for choice of a valuation methodology, rental rates, expenses, risk rationale (cap. rate, discount rate, vacancy, growth rates, exit cap. rates etc.) assumptions/market evidence, understanding of the key valuation inputs and parameters. Valuation software analysis, utilization limitations, etc. Valuations in line with client reporting requirements.		
C Resources			
6.	Organogram of team allocated to the engagement as well as the name and HDI status of each valuer appointed to each property. <i>(if bidding on more than one portfolio / segment please provide for each bid and indicate if bids are mutually exclusive or not. If not then clarify resource allocation for the maximum number of portfolios / segments per the organogram).</i>	30	Yes
7.	CV's with detailed prior experience of team members to be deployed for the assignment.		Yes
8.	State the valuation software being used. If MRI or Argus are not being used the service provider should provide a description of the software with references for third party checking of the software provider. Proof of registration as a supervisor in line with the requirements above and portfolio of properties valued during the period (investment valuations are an added advantage).		Yes
D Timeframes			
9.	Project plan which details the resources and scope of work to be undertaken to fulfill the scope of work within the prescribed timeframe.	5	

¹ Mandatory Requirement – Non-Compliance to submit the information may result in disqualification by the PIC.

	<i>(if bidding on more than one portfolio / segment please provide for each bid and indicate if bids are mutually exclusive or not. If not then clarify resource allocation for the maximum number of portfolios / segments per the organogram).</i>		Yes
E Risk Mitigation Measures			
10.	State in writing that the service provider agrees procure Professional Indemnity Insurance at their own cost to the value of 5 times quoted total fees per annum (i.e. not for the aggregate of the three years). Failure to fulfill this obligation may lead to disqualification of appointed service providers before signature of the service level agreement.	5	Yes
G Transformation			
11.	Clearly detail the HDI / women / disabled compliment part of the working team that will be allocated to this engagement and specify the individual properties being valued by HDI and non-HDI valuers. Partnerships/JV: Black female PV/PAV as lead with shareholding 50% +1 of the total valuation fee on the overall three-year contract (mandatory)	30	Yes
12.	Outline future transformational plan or initiatives for the team and business. Make specific reference to the HDI valuers appointed to this assignment at a property level.		Yes
13.	Outline the skills transfer element that is being undertaken in your business and for this assignment at a property level for the valuation and the presentation of the valuation at the approval committees. Black female valuer/s mentored by the firm and qualified as PV/PAV with investment property experience in the last 2 to 5 years (mandatory).		Yes
Total Score			100
Minimum Score for Functionality			70

8.4 Price and BEE

This is the final stage of the evaluation process and will be based on 70/30 preference points system.

Prices must be quoted in South African Rand excluding of VAT and must be submitted separately (

The Price bid for will be for year one and price escalation for CPI will be assumed at 5% per annum for adjudication purposes although actual CPI will be used for payment purposes (as will be recorded in the SLA).

Points will also be awarded based to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

Service providers who achieved 70% score and above during the evaluation process but does not get to be appointed will form part of the valuation Panel for a period of three years.

B-BBEE Status Level of Contributor	Number of points /10
1	10
2	9
3	8
4	7
5	5
6	3
7	2
8	1
Non- compliant Contributor	0

Points to be allocated for Black Ownership

The following point system will be utilised to allocate an additional ten (10) or five (5) points in accordance with the 70/30 preference points system, respectively for 51% or more Black Ownership:

Percentage	Black Ownership
Preference point system	70/30
Percentage %	10 Points Allocated
0-50,99	0
51-59,99	2
60-69,99	4
70-79,99	6
80-89,99	8
90-100,00	10

Points to be allocated for Black Executive Management, Women and Disabled Ownership

The following points system will be utilised to allocate an additional five (5) points in accordance with the 70/30 preference point system, respectively for Black Executive Management, Women and Disabled Ownership:

Percentage	Black Executive Management
Preference point system	70/30
Percentage %	5 Points
0-24,99	0
25-45,99	1
46-65,99	2
66-75,99	3
76-85,99	4
86-100,00	5

Percentage	Women & Disabled Ownership
Preference point system	70/30
Percentage %	5 Points
0-9,99	0
10-25,99	1
26-45,99	2
46-65,99	3
66-85,99	4
86-100,00	5

SECTION 2: FUNCTIONAL REQUIREMENTS SPECIFICATION

1. Background

1.1 The Public Investment Corporation (PIC) is an asset management company wholly owned by the government of the republic of South Africa duly represented by the minister of finance. the pic manages investments on behalf of public sector funds which include Government Employees Pension Fund (GEPF), Unemployment Insurance Fund (UIF) and Compensation Fund (CF).

1.2 Established in 1911, the pic ranks amongst the best and most successful asset management firms in the world and is by far the biggest in Africa. the pic runs one of the most diversified portfolios, which is made up of multiple asset classes. these asset classes include listed equities, real estate, capital market, private equity and impact investing. through listed investments, the PIC controls over 10% of the Johannesburg stock exchange and has direct and indirect exposure to almost all sectors of the South African economy.

1.3 The PIC manages assets exceeding R2 trillion; and as the leader in the asset management industry, it thrives to meet and exceed its clients' expectations.

2. Objective

2.1 To appoint services of independent valuer to provide the fair value of directly held investment properties for the next 3 years.

2.2 The primary objectives underlying the appointment of external independent valuers are

- a) Improve Transparency and effective reporting;
- b) Provide an unbiased opinion on the valuation of property investments;
- c) Serve as a reasonability test for the valuations computed by PIC; &
- d) Serve as a reliable independent basis on value of property investments

3. Overview of the Directly held properties

3.1 The Directly Held Properties portfolio:

3.1.1 The Directly held portfolio comprises 151 buildings across six (6) of the nine provinces in the country and is represented by an offering in the commercial, industrial and retail sectors accommodating a full spectrum of tenants.

3.1.2 The total number of Properties in the portfolio is 157. The sectoral split varies from Property Type, hotel, industrial land, office inter alia.

3.1.3 Directly held portfolio has been segmented into five segments;

- a) Coastal Portfolio (Eastern Cape, Western Cape and KwaZulu Natal)
- b) Northern Portfolio (outlying areas)
- c) Gauteng Portfolio (split into three sub portfolio)

a. Service providers are required to bid for one or more of the portfolio segments, but they are not limited to bidding on all the portions. No more than two portions will be awarded to a bidder.

3.2 Property Investments awaiting transfer / legal

- a) There may be property investments that require valuations domestically, which cannot yet be included in the current list of assets to be valued because the information is not yet able to be shared in this tender.
- b) Additional assets added to the portfolio during the tenure of the three-year appointment will be allocated to appointed service providers at the discretion of the PIC;

4. Scope of work

4.1 The scope of work includes inter alia;

- 4.1.1 Valuation of the property investment assets managed directly Held portfolio as at 31 March 2024 (“the date of valuation”) for a period of 3 (three years) ending with financial year 31 March 2026 for the Full Valuations and 30th September 2025/26 for half year Desk Top valuations:
- 4.1.2 Bidders are required to bid on one or more segments in the attached Directly held Property List / Sheet for three Full Year End Valuations and Desk Top Half Year Valuations.
- 4.1.3 The appointment for the half year desk-top valuations will be subject to client approval on a yearly basis and may not form part of the initial appointment.
- 4.1.4 Subject to Covid-19 half year desk-top valuations may be substituted for full valuations for valuers’ safety reasons – but will be subject to agreement between the PIC, PIC’s clients and the service providers.
- 4.1.5 In undertaking the “full” valuations site inspections will be required to be carried out and service providers are required to prepare a detailed valuation report of each property as well as an executive summary of the portfolio of properties being valued by the service provider.
- 4.1.6 It is not a requirement that measured surveys be carried out at any of the properties and reliance on the floor areas provided by the PIC, property manager or Investee company is required. It is to be assumed that these are correct unless the floor areas provided on a specific property is grossly incorrect.
- 4.1.7 In undertaking the “Desk Top” valuations of the service provider will not be required to carry out site inspections and the report will be limited to an executive summary of the most important factors influencing the valuation as well as an executive summary of the portfolio being valued by the service provider (note: in all cases a full year end valuation would have been undertaken already unless the property was acquired after the end of the year valuation cycle).

- 4.1.8 The valuations are required for financial statements prepared under International Financial Reporting Standards (“IFRS”) and are to be reported at Market Value as at 31st March (“the date of valuation”) annually.
- 4.1.9 In preparing the valuations, cognizance must be taken of the standards as set out in the most recent RICS Valuation – Professional Standards as updated (Royal Institution of Chartered Surveyors Global Standards Practice Statement VPS 1 Minimum Terms of Engagement and known as the “the Red Book”) which, although differing in certain respects from, also recognizes the standards published in the International Valuation Standards (“IVS”).
- 4.1.10 Confirmation that the valuation will be undertaken in accordance with the latest IVS is required but Service Providers will not be required to be RICS qualified Chartered Surveyors as prescribed in RICS Red Book valuation standards as this requirement is not mandatory.
- 4.1.11 Market Value, as accepted by IVSC, and defined in the Red Book is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
- 4.1.12 Market Values must be (except for all residential properties and land parcels) derived primarily by adopting the discounted cash flow method of valuation in terms of which properties are valued by discounting the expected future net income for a specific cash flow period at an appropriate discount rate (or total rate of return) to give the present value of the expected net income cash flow.
- 4.1.13 Valuation of developments or re-developments will also require a discounted cash flow methodology with care taken to ensure reasonable assumptions to determine the residual value of the asset if it were to trade in the open market in an as is condition.
- 4.1.14 In the absence of current prices in an active market, an entity considers information from a variety of sources, including:
- current prices in an active market for properties of different natures, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences.
 - recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
 - discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

4.1.15 Valuation software which is acceptable is MRI and Argus; should the Service Provider not wish to use the two default valuation software applications then detailed information and references for the software is required to ensure it is compatible requirements of the scope of work.

4.1.16 All formal information relating to a property will be provided by the PIC Property Asset Managers and access to communicate with the PIC's appointed Property Managers will also be provided.

4.1.17 Service providers will receive the budgeted vs. actual property expenses and capex, tenancy schedules, contact details of property and asset managers and letter of appointment to confirm the property inspection.

4.1.18 Leases will not be required to be inspected unless discrepancies or inconsistent information in the Tenancy Schedule is detected (Property Managers will provide copies of the leases timeously). Site inspections should ensure that tenants are in occupation as per the rent roll provided

4.1.19 Registered Property details per the Deeds Office and Company details will be provided to the service provider; however, service providers will be required to independently access and confirm the title deeds from the Deeds Office as part of their valuation. copies of Zoning certificates will not be provided.

4.1.20 MSCI real Estate / (formerly IPD) Reporting Requirements:

- A report will be required which will conform to the MSCI Real Estate (formerly IPD) reporting requirements for valuations. This report will be required to be delivered in 'electronic' format (Excel Spreadsheet Template will be provided).
- This information is located on the MSCI Real Estate Portfolio Analysis Data (PAD) Data form, Worksheet: 'Valuation Data' and should include, *inter alia*:
 - ✓ Capitalisation Rate (All valuation methodologies – note: on DCF valuations CAP Rates may be implied not actual used in the valuation. Not required for land and other comparative valuation methodologies).
 - ✓ Normalised Net Income (where a CAP Rate was used as the valuation methodology this is required for year 1 – where a DCF was used this is required for the terminal year where the exit CAP Rate was used).
 - ✓ DCF Term
 - ✓ Discount Rate
 - ✓ Assumed Operating Cost Growth
 - ✓ Assumed Rental Growth - Retail
 - ✓ Assumed Rental Growth - Office
 - ✓ Assumed Rental Growth - Industrial
 - ✓ Assumed Rental Growth – Other
 - ✓ Cash Flow (Year 1 to end of DCF Term)
 - ✓ Capital Expenditure (Year 1 to end of DCF Term)
 - ✓ Capitalisation Rate for Exit Value

- ✓ Exit Value
- ✓ Open Market Rental Value/s (OMRV)
- ✓ Etc. (standard form provided in Annexure 1)

- This will also be required for the half year Desk Top valuations.
- Submission of the data to be included with the first draft valuations, with changes to data submission on each re-submission of valuations drafts until valuations until finalised – this is to allow better analysis of draft valuations (via standardisation of reporting) before final valuations are presented to the valuation committees.

4.1.21 The valuers who undertook the valuations, at a property level, are required to prepare a valuation presentation report and to present the report to the relevant committees of the PIC and the PIC's clients in person (or via the required virtual platform). The report format to be agreed once the successful service provider(s) are appointed. The presentations will take place in Pretoria, Gauteng (virtually).

4.1.22 This will be recorded in the Service Level Agreement (SLA) and changes to the representation should be made in before the start of each valuation cycle – the PIC will ensure compliance with the SLA in this regard.

4.1.23 Preparation and submission of a formal valuation report by no later than the 10th of April 2023 (1st Draft). This will include the full draft valuation and the data for the MSCI Valuation (g above).

4.1.24 Annual inclusion of Grading Certificates per property.

5. Deliverables

5.1 **Year End Valuations: Full report detailing each valuation, including but not limited to the following minimum, requirements.**

- Identification and status of the valuer
- Identification of the client and any other intended users
- Purpose of the valuation
- Identification of the asset or liability to be valued
- Basis of value
- Valuation date
- Extent of investigation
- Nature and source of the information relied upon
- List of comparable sales used
- Assumptions and special assumptions
- Restrictions on use, distribution or publication
- Confirmation that the assignment has been undertaken in accordance with the most recent IVS

- Valuation approach and reasoning
- Amount of the valuation or valuations
- Date of the valuation report
- Valuation Certificate
- Where the asset is partially owned (i.e. at the title deed level) the investment structure needs to be presented in diagram format to show what is being valued (e.g. for undivided share in title only the portion by the PIC Client is to be valued).
- An executive summary of the valuation performed and executive summary of the portfolio of properties valued.
- Preparation of a formal valuation report and present to the relevant committees of the PIC's clients and the PIC in a report format to be agreed once the successful service provider is appointed.
- MSCI Valuation Reporting Requirements in electronic format per 3.11 g.

5.2 **Half Year Valuations: Desk Top report detailing each valuation, including but not limited to the following minimum, requirements:**

- Identification and status of the valuer
- Identification of the client and any other intended users
- Purpose of the valuation
- Identification of the asset or liability to be valued
- Basis of value
- Valuation date
- Extent of investigation
- Nature and source of the information relied upon
- List of comparable sales used
- Assumptions and special assumptions
- Restrictions on use, distribution or publication
- Confirmation that the assignment has been undertaken in accordance with the most recent IVS
- Valuation approach and reasoning
- Amount of the valuation or valuations
- Date of the valuation report
- Valuation Certificate
- Where the asset is partially owned (i.e. at the title deed level) the investment structure needs to be presented in diagram format to show what is being valued (e.g. for undivided share in title only the portion by the PIC Client is to be valued).
- An executive summary of the valuation performed and executive summary of the portfolio of properties valued.
- MSCI Valuation Reporting Requirements in electronic format per 2.11 g.

- Preparation of a summarised (desktop) valuation report for the PIC in a report format to be agreed once the successful service provider is appointed.

5.2 General Notices regarding the Deliverables

PIC reserves the right to:

- a) Request ad hoc services within or related to the scope of the Deliverables.
- b) Exclude elements of scope from the scope of Deliverables.
- c) Include additional properties, in the scope of Deliverables and require that the pricing of any new methodology proposed by the Preferred Service Provider in response to new requirement arising during the term be aligned with the pricing already provided by the Preferred Service Provider under this agreement.
- d) Direct that Deliverables be delivered to the client directly.
- e) Request that reports be furnished in a standardized format (a standard format will be agreed upon once the service providers are appointed).

6. Transformation

- 6.1.1 Bidders are required to outline future transformational plan or initiatives for the team and business. Make specific reference to the HDI valuers appointed to this assignment at a property level.
- 6.1.2 Outline the skills transfer element that is being undertaken in your business and for this assignment at a property level for the valuation and the presentation of the valuation at the approval committees.

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	PICIPROP001/10/2023	CLOSING DATE:	06 November 2023	CLOSING TIME:	16H00
DESCRIPTION	TO APPOINT SUITABLY QUALIFIED SERVICE PROVIDERS TO CONDUCT INVESTMENT VALUATIONS FOR A PERIOD OF THREE YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
PIC will provide a OneDrive link for submission					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON			CONTACT PERSON		
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS			E-MAIL ADDRESS		
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No	
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?

YES NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?

YES NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?

YES NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.

SBD 4

2. DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms

of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

2.1 Full Name of bidder or his or her representative:
.....

2.2 Identity Number:
.....

2.3 Position occupied in the Company (director, trustee, shareholder²):
.....

2.4 Company Registration Number:
.....

2.5 Tax Reference Number:
.....

2.6 VAT Registration Number:
.....

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

¹“State” means –

(a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);

(b) any municipality or municipal entity;

- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

²“Shareholder” means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder presently employed by the state? YES / NO

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

Name of state institution at which you or the person connected to the bidder is employed :

Position occupied in the state institution:

Any other particulars:

.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? YES / NO

2.7.2.1 If yes, did you attached proof of such authority to the bid document? YES / NO

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? YES / NO

2.8.1 If so, furnish particulars:

.....
.....
.....

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? YES / NO

2.9.1 If so, furnish particulars.

.....
.....
.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? YES/NO

2.10.1 If so, furnish particulars.

.....
.....
.....

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? YES/NO

2.11.1 If so, furnish particulars:

.....
.....
.....

3 Full details of directors / trustees / members / shareholders.

PIC CONSENT FORM

General: In order for the Public Investment Corporation SOC Limited ("**PIC**") to consider the supplier's (referenced below) response to an RFQ to become a supplier to the PIC'S property initiatives ("**RFP**"), and/or to be included in the PIC Internal Audit resources, it will be necessary for the PIC to process certain personal information which the supplier may share with the PIC for the purpose of the RFQ, including personal information – which may include special personal information (all hereafter referred to as "**Personal Information**"). The PIC will process the supplier's Personal Information in accordance with the PIC Privacy Policy available.

Access to supplier Personal Information and purpose specification: Personal Information will be processed by the PIC for purposes of assessing the supplier's submission in relation to the RFQ and may be shared and stored internally for the purposes of assessing current and future services required by the PIC. We may also share the supplier's Personal Information with third parties, both within the Republic of South Africa and in other jurisdictions, including to carry out verification, background checks and Know Your Customer obligations in terms of the Financial Intelligence Centre Act, No. 38 of 2001 ("**FICA**"). In this regard, the supplier acknowledges that the PIC's authorised verification agent(s) and service providers will access Personal Information and conduct background screening.

Consent: By [ticking/clicking] "Yes" and signing below, you agree and voluntarily consent to the PIC's processing of the supplier's Personal Information for the purposes of evaluating its RFQ submission, including to confirm and verify any information provided in the submission and supplier gives PIC permission to do so. The supplier understands that it is free to withdraw its consent on written notice to PIC and the supplier agrees that the Personal Information may be disclosed by the PIC to third parties, including PIC's affiliates, service providers and associates (some of which may be located outside of the Republic of South Africa). Please note that if you withdraw your consent at any stage, we may be unable to process the RFQ or continue to retain the supplier details on the PIC supplier database.

Yes

No

Supplier Name

Date

Signature

Authorized representative, who warrants that he/she is duly authorized