



PRINCE ALBERT MUNICIPALITY

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INFORMATION STATEMENT

SERVICE LEVEL AGREEMENT: PRINCE ALBERT MUNICIPALITY / HCB VALUATIONS AND SERVICES

(PTY) LTD:

TENDER 95/2023:

MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003: SECTION 33

Prince Albert Municipality, after following a competitive bidding process in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) and Supply Chain Management Regulations, intends to enter into a service level agreement with HCB Valuations and Services (Pty) Ltd. for the provision of professional valuation services to compile and maintain the general valuation roll and supplementary valuation rolls for to be implemented for the period 01 July 2024 until 30 June 2029, for the Prince Albert Municipality. The contract period of the valuer is thus to commence on 01 July 2023 until 30 June 2023.

In terms of the proposed agreement, payment will be made to HCB Valuations and Services upon receipt of an invoice for work done as well as per the stages of completion during the project. The financial implications for the Municipality will be as per Annexure A attached hereto.

The total estimated contract value for the contract term is **R 1 033 500.00 (One Million Thirty-Three Thousand and Five Hundred Rands and Zero Cents)**, inclusive of VAT.

A long-term agreement is required as the valuation roll to be implemented is for a period of five (5) years in order to meet legislative requirements with regards to the Municipal Property Rates Act and ensures that the appointed service provider completes the general valuation roll and all subsequent supplementary valuations.

As the contract will impose financial obligations on the Municipality beyond a period of three (3) years, a prescribed process in terms of Section 33 of the MFMA had to be followed. Provision for the

expenditure has been made in the Operational Budget and will be made in future budgets for the duration of the agreement. It will have no impact on municipal tariffs and revenue.

CONTRACT PERIOD AND DETAIL

Formal date of commencement: 15 October 2023

Date of contract completion: 30 June 2029

FINANCIAL IMPLICATIONS

The total estimated contract value for the contract term is R 1 033 500.00 (One Million Thirty-Three Thousand and Five Hundred Rands, Zero Cents).

RELEVANT LEGISLATION / RELEVANTE WETGEWING

1. Local Government: Municipal Finance Management Act (No 56. of 2003)
2. Local Government: Municipal Finance Management Regulations: Municipal Supply Chain Management Regulations (2005)
3. Local Government: Municipal Property Rates Act (No.6 of 2004)

ANNEXURES

Annexure 1 – Tendered pricing schedule (HCB Valuations)

Annexure 2 – Schedule of stages (General Valuation)



ALDRICK HENDRICKS

Municipal Manager

10 August 2023

ANNEXURE A

Summary of tendered price submitted – HCB Valuations and Services (Pty Ltd.

SECTION A – GENERAL VALUATIONS

DESCRIPTION	TOTAL PRICE (INCL. VAT)
STAGES 1-2 - DATA COLLECTION OF PROPERTIES	
Commercial	R 36 000.00
Agricultural	R 227 500.00
Industrial	R 9 000.00
Municipal	R 42 750.00
Public Benefit Organisations	R 0.00
Public Open Place	R 900.00
Private Open Space	R 3 300.00
Place of Worship	R 4 800.00
Public Service Infrastructure	R 6 450.00
Residential	R 187 200.00
State	R 2 850.00
Vacant	R 18 250.00
SUBTOTAL (INCLUDING VAT)	R 539 000.00

STAGE 3 – BULK DEEDS DOWNLOAD	
Bulk deeds download for estimated 5 000 erven	R 82 500.00
SUBTOTAL (INCLUDING VAT)	R 82 500.00

STAGE 4-8 – COMPLETION AND SUBMISSION OF FINAL VALUATION ROLL	
All-inclusive valuation compilation price	R 50 000.00
SUBTOTAL (INCLUDING VAT)	R 50 000.00

STAGE 9 – ATTENDANCE OF APPEAL BOARD HEARINGS:GENERAL VALUATIONS	
Attendance of Appeal Board hearings	R 19 000.00
SUBTOTAL (INCLUDING VAT)	R 19 000.00
TOTAL – SECTION A (GENERAL VALUATION)	R 690 500.00

SECTION B – SUPPLEMENTARY VALUATIONS

DESCRIPTION	TOTAL PRICE (INCL. VAT)
Valuations for Urban Properties	R 30 000.00
Valuations for Rural Properties (All other areas)	R 15 000.00
Attendance of Appeal Board Hearings – Supplementary valuations	R 38 000.00
TOTAL – SECTION B (SUPPLEMENTARY VALUATIONS)	R 83 000.00

SECTION C – OTHER AD-HOC VALUATIONS

DESCRIPTION	TOTAL PRICE (INCL. VAT)
Performing of Ad Hoc market related valuations for selling/buying purposes	R 75 000.00
Performing of Ad Hoc market related valuations for rental purposes	R 30 000.00
Annual Impairment of Municipal Properties	R 100 000.00
Split Land and Improvements on Municipal Properties	R 55 000.00
TOTAL – SECTION C (OTHER AD-HOC VALUATIONS)	R 260 000.00

SUMMARY

DESCRIPTION	TOTAL PRICE (INCL. VAT)
Section A – General Valuations	R 690 500.00
Section B – Supplementary Valuations	R 83 000.00
Section C – Other Ad-hoc valuations	R 260 000.00
TOTAL CONTRACT AMOUNT (INCLUSIVE OF VAT)	R 1 033 500.00

ANNEXURE B

Schedule of stages (General Valuation)

STAGES	DESCRIPTION OF KEY ACTIVITIES
1	Initial Data collection, existing valuation roll download, establishment of master file, comparison between newly created property master file and existing municipal valuation records or where no existing valuation roll exists creation of property master file.
2	Obtaining of new data necessary to compile valuations:- Including inspections, data capture, sales, measurements, rentals, expense ratios etc.
3	Submission of a draft valuation roll, deeds download included.
4	Completion & Submission of final valuation roll
5	Internal Monitoring of Valuations including accuracy of data, review of sales and valuations between date of commencement and date of valuation and Public Awareness.
6	Correction of Valuation Roll and Submission of the certified General Valuation Roll to the Municipal Manager.
7	Objections process as per Act – Closing of objection period
8	Handling / Processing of objections
9	Valuation appeal board hearings