



SCOPE OF SERVICES

# Technical Due Diligence Services

Scotland  
May 2022



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# Technical Due Diligence Services

For use with the RICS Short Form of Consultant's Appointment for Designated Services

## Additional notes

- These Services should be completed by inserting a 'tick' in the box next to the Service to be provided. For further information, please refer to the RICS Short Form of Consultant's Appointment for Designated Services explanatory notes.
- All other Services that are not ticked shall be deemed to be Additional Services under the terms of this Appointment.
- Any bespoke Additional Services agreed between the Client and the Consultant should be inserted in Section 15.
- A schedule of 'typical' meetings is included with these Services in Appendix A. Completion of this schedule is also recommended.
- A technical due diligence report may also be referred to as a 'Building condition inspection', 'Building survey', 'Pre-acquisition survey' or 'Vendor survey'.

## 1 General

- 1.1 Attend Client, Site and other meetings as provided under this Appointment.
- 1.2 Liaise with the Client and the Client Team to determine the Client's initial requirements and to develop the Client's Brief. Establish review, approval, variation and reporting procedures. Prepare recommendations for the Client's approval.
- 1.3 Advise the Client on specialist services, including specialist consultants and contractors.

## 2 Technical due diligence report

### 2.1 Provide a technical due diligence report for (tick to confirm purpose):

- 2.1.1 Building leasehold or freehold acquisition for occupation.
- 2.1.2 Building long leasehold or freehold acquisition for investment.

- 2.1.3 Refinancing.

- 2.1.4 Seller survey.

Note: The building or property will be inspected from ground level or by using accessible means of entry. The roof will be accessed if safe to do so. No opening up of concealed parts will be undertaken unless specifically referred to.

## 3 Building(s) access

- 3.1 Conduct a visual inspection of the building's structure and fabric internally for the purpose of producing the technical due diligence report.
- 3.2 Conduct a visual inspection of the building's structure and fabric externally for the purpose of producing the technical due diligence report.
- 3.3 Conduct a visual inspection of external Site areas and the boundaries of the building(s) for the purpose of producing the technical due diligence report.
- 3.4 Conduct a visual inspection within raised access floor voids in isolated sample

locations, provided access is readily available.

- 3.5 Conduct a visual inspection above proprietary suspended ceilings in isolated sample locations, provided access is readily available.

## 4 Access

- 4.1 Inspect the external elevations from ground level, accessible roofs and other suitable vantage points using binoculars.
- 4.2 Inspect the external elevations and roofs using high level access platforms/cherry pickers.
- 4.3 Inspect the external elevations using window cleaning cradles. A qualified operator for the window cleaning cradles to be provided by the Client or Seller.
- 4.4 Inspect the external elevations and roof using an unmanned aerial vehicle (UAV).
- 4.5 For large and/or repetitive buildings, such as hotels or apartments, agree with the Client the number or percentage of units to be inspected.

## 5 Statutory compliance

- 5.1 Undertake a high level review to ascertain whether the building(s) complies with legislation relevant to the use of the building and provide a brief report. (Note: This is not a full statutory compliance or access audit.)
- 5.2 Undertake a high level review to ascertain whether the building(s) has any obvious deficiencies with the requirements of the *Equality Act 2010*, the Building Regulations and other pertinent regulations or statutes, relevant to the use of the building(s) and provide a brief report. (Note: This is not a full statutory compliance or access audit.)

## 6 Building services inspection

- 6.1 Undertake a high level building surveyor's cursory visual review of building services to ascertain those present and highlight any obvious defects and need for further specialist inspections.
- 6.2 Conduct, or procure a mechanical and electrical services engineer to conduct, a visual inspection of the mechanical, electrical and public health services installations. Incorporate inspection findings into a report. (Where the inspection is not undertaken by the Consultant, the mechanical and electrical services engineer is to be employed by the Client.)
- 6.3 Conduct, or procure a vertical transportation engineer to conduct, a visual inspection of the lifts, dock levellers and/or escalator installations. Incorporate inspection findings into a report. (Where the inspection is not undertaken by the Consultant, the vertical transportation engineer is to be employed by the Client.)

## 7 Environmental and site factors

- 7.1 Indicative review of the extent to which the building(s) might be exposed to environmental hazards such as flooding, above ground fuel tanks or chemical stores, exposure to electromagnetic and microwave radiation, invasive vegetation, vermin/protected species, seismic activity and other relevant factors.

## 8 Environmental (phase 1) audit

- 8.1 Implement or procure an environmental consultant to conduct a desktop search for potentially contaminative uses of the Site and nearby land, confirming a contamination risk rating. Incorporate findings into a report.



(Where the desktop search is not undertaken by the Consultant, the environmental consultant is to be employed by the Client.)

- 8.2 Implement or procure an environmental consultant to conduct a desktop search and Site walkover to visually identify potentially contaminative uses of the Site and nearby land, confirming a contamination risk rating. Incorporate findings into a report. (Where the desktop search and Site walkover is not undertaken by the Consultant, the environmental consultant is to be employed by the Client.)
- 8.3 Conduct or procure an environmental consultant to undertake a third party peer review of environmental audits provided by the Seller. Incorporate peer review findings into a report. (Where the inspection is not undertaken by the Consultant, the environmental consultant is to be employed by the Client.)

## 9 Sustainability

- 9.1 Conduct or procure a sustainability consultant to undertake a sustainability audit of the building(s). Incorporate audit findings into a report. (Where the sustainability audit is not undertaken by the Consultant, the sustainability Consultant is to be employed by the Client.)

## 10 Additional Services and specialist instructions

- 10.1 Prepare a RCA for insurance purposes on a 'Day one' basis using published cost data such as that produced by the Building Cost Information Service. Refer to the RICS guidance note *Reinstatement Cost Assessment Services*.
- 10.2 Procure an asbestos specialist to inspect, take samples, test samples and confirm the presence of asbestos. Incorporate inspection findings into a report.

(The asbestos specialist is to be employed by the Client.)

- 10.3 Conduct or procure a fire engineering specialist to undertake a fire safety assessment of the premises, which will include the review of all available compliance documentation. Incorporate assessment findings into a report. (Where the fire safety assessment is not undertaken by the Consultant the fire engineering specialist is to be employed by the Client.)
- 10.4 Conduct or procure a materials testing specialist to inspect, take samples, test and issue a report to confirm the existence of high alumina cement concrete, calcium chloride concrete additives, the extent of concrete carbonation and/or such other specialist concrete testing as may be agreed with the Client beforehand. Incorporate concrete inspection findings into a report. (Where the concrete inspection is not undertaken by the Consultant, the materials testing specialist is to be employed by the Client.)
- 10.5 Conduct or procure a building façade engineer to conduct a specialist inspection and report on the building's cladding systems. Incorporate inspection findings into a report. (Where the inspection is not undertaken by the Consultant, the building façade engineer is to be employed by the Client.)
- 10.6 Conduct or procure a structural engineer to conduct a structural review of the building and provide comment. Incorporate review findings into a report. (Where the inspection is not undertaken by the Consultant, the structural engineer is to be employed by the Client.)
- 10.7 Conduct or procure a drainage contractor to conduct a CCTV survey of accessible underground drainage runs relevant to the property. Incorporate the CCTV survey findings into a report. (Where the CCTV survey is not undertaken by the Consultant, the drainage Contractor is to be employed by the Client.)

## 11 Documentation review – during inspection

### 11.1 Review of the following relevant documents:

- 11.1.1 planned preventative maintenance schedules
- 11.1.2 statutory compliance documentation
- 11.1.3 health and safety files or other relevant constructional information
- 11.1.4 operating and maintenance manuals
- 11.1.5 fire risk assessment
- 11.1.6 asbestos management plan
- 11.1.7 access audit.

And in addition, where relevant to the Additional Services scheduled in section 10:

- 11.1.8 air conditioning inspection reports and
- 11.1.9 energy performance certificates.

For the purpose of incorporation of findings into the technical due diligence report.

(This list is not exhaustive but indicates typical information that should be held on-site.)

## 12 Documentation review – post inspection/desktop

### 12.1 Review the relevant legal documentation provided by the Client's legal advisers:

- 12.1.1 collateral warranties/third party rights
- 12.1.2 manufacturer's and Contractor's guarantees
- 12.1.3 leases, subleases and alterations licences
- 12.1.4 party wall awards.

For the purpose of incorporation of findings into the technical due diligence report.

(This list is not exhaustive but indicates typical information that should be provided by the Seller.)

## 13 Maintenance and cost reporting

- 13.1 Provide a schedule of repairs. Using approximate quantities, provide a budget cost estimate for repair works required to remedy identified defects with the building structure, fabric and services (if appropriate) identified at the time of inspection. This would exclude cyclical maintenance costs unless otherwise agreed with the Client. Recommend time period for repairs to be completed. Agree with the Client a minimum value of the cost of repairs.
- 13.2 Provide a schedule of potential capital expenditure items. Agree time period to be addressed by the schedule.
- 13.3 Provide an estimated cost for Client of notified improvements.

## 14 Report delivery

- 14.1 Confirm by telephone and/or email, within 48 hours of inspection, the main findings of the Consultant and summarise main findings within a draft executive summary document.
- 14.2 Provide a PDF copy of the technical due diligence report to the Client electronically by email or via download from nominated internet site.
- 14.3 Provide hard copies of final version of report. Agree number required and its distribution.

## 15 Bespoke Additional Services

- 15.1 Enter or attach bespoke Additional Services agreed with the Client.



# Appendix A: Schedule of meetings to be attended by the Consultant

## 1 Client meetings

Attendance: Partner  Director  Associate  Project surveyor   
 Other  (please specify) \_\_\_\_\_

Frequency: Daily  Weekly  Monthly  Quarterly   
 No attendance required  Other

Please specify requirements: \_\_\_\_\_

## 2 Design team meetings

Attendance: Partner  Director  Associate  Project surveyor   
 Other  (please specify) \_\_\_\_\_

Frequency: Daily  Weekly  Monthly  Quarterly   
 No attendance required  Other

Please specify requirements: \_\_\_\_\_

## 3 Project team meetings

Attendance: Partner  Director  Associate  Project surveyor   
 Other  (please specify) \_\_\_\_\_

Frequency: Daily  Weekly  Monthly  Quarterly   
 No attendance required  Other

Please specify requirements: \_\_\_\_\_

#### 4 (Other) meetings

Attendance: Partner  Director  Associate  Project surveyor   
Other  (please specify) \_\_\_\_\_

Frequency: Daily  Weekly  Monthly  Quarterly   
No attendance required  Other

Please specify requirements: \_\_\_\_\_

# Appendix B: Glossary of terms

Client's Brief	The brief provided by the Client identifying the Client's requirements in relation to the Project as such requirements may, in accordance with the Client's instructions, be amended from time to time with the Consultant's agreement (which is not to be unreasonably withheld or delayed).
RCA	Reinstatement cost assessment.
Seller	A person, partnership or company selling a property to the Client.

## Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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