

Town of Vernon, Connecticut - Contract # 955 – 06/21/10
RFP – Assessment Valuation / Revaluation 2011

The Town of Vernon is seeking a qualified and certified Connecticut Revaluation Company to perform Assessment Valuation / Revaluation 2011. A company must have performed at least one such project in the last five years for a municipality whose assessment list is comparable in size and type of properties to the Town of Vernon.

Copies of the RFP are available from the office of the Town Administrator from 9:00 a.m. until 4:30 p.m., Monday through Wednesday, 9:00 a.m. until 7:00 p.m. on Thursday, and 9:00 a.m. until 1:00 p.m. on Friday; or anytime online at <http://www.vernon-ct.gov/legal-notices> with reference to Contract # 955 – 06/21/10.

All questions about the proposals should be directed to the John D. Ward, Town Administrator, by e-mail at jward@vernon-ct.gov, with copies to David A. Wheeler, Town Assessor, by e-mail at dwheeler@vernon-ct.gov, no later than 1:00 p.m. May 24, 2010. Answers to all so received questions will be shall be posted on the Town’s website under the bid section at <http://www.vernon-ct.gov/legal-notices> with the Contract # 955 – 06/21/10 no later than June 1, 2010.

One (1) original and six (6) copies of all technical and price proposals should be submitted in a sealed envelope, with “Contract # 955 – 06/21/10” clearly marked on the outside of the envelope, to: John D. Ward, Town Administrator, Town of Vernon, Memorial Building, 14 Park Place, 3rd Floor, Vernon, Connecticut 06066 by 11:00 a.m. on June 21, 2010; at which time proposals shall be opened and read aloud publicly.

The selected company must meet all municipal, state and federal Affirmative Action and Equal Opportunity practices and requirements. The Town reserves the right to reject any or all proposals in whole or part, to award any one service or group of services or all services, to negotiate with any or all companies submitting proposals, and to enter into an agreement with any company for any services mentioned in this RFP; if its is deemed to be in the best interest of the Town.

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I. PROPOSAL PROCEDURES

A. Important Information for Entities Submitting Proposals

The attached Request for Proposal (“RFP”) will be incorporated into the contract(s) awarded by the successful respondent(s). Therefore, any exception to the terms of the RFP must be noted in the response. Attachments to the response must be in addition to, not in lieu of, the provisions of the RFP. The contract will contain language that any conflict between provision(s) of the contract, RFP, the response or other attachments or exhibits will be resolved in favor of the provision which provides for a higher standard of obligation or service by the respondent Company (“Company”).

B. Proposal Specifications and Preparation

Proposals are to be prepared in the order of the specifications set forth in this Request for Proposal. The Town of Vernon (“Town”) will not consider proposals which are not indexed according to the section headings and specifications given herein.

The revaluation Companies should review these specifications thoroughly, particularly with respect to personnel requirements. The Town of Vernon is unique in the range and type of properties for a jurisdiction of its size. The Town demands a high quality work product and as such, expects a highly professional and experienced project staff. Revaluation Companies must recognize that the Town demands full compliance by all staff proposed for this project. Any deviation from staffing obligations during the course of the project will be grounds for immediate contract termination.

Proposals must clearly delineate any exception or alternative for the entire project or any part of it. Exceptions are to be presented in the body of the proposal at the appropriate location and also are to be noted collectively within an appendix or attachment.

All proposals are to be valid for a period of ninety days from the submittal date.

C. Questions and Answers

All questions about the proposals should be directed to the John D. Ward, Town Administrator, by e-mail at jward@vernon-ct.gov, with copies to David A. Wheeler, Town Assessor, by e-mail at dwheeler@vernon-ct.gov, no later than 1:00 p.m. May 24, 2010. Answers to all so received questions will be shall be posted on the Town’s website under the bid section at <http://www.vernon-ct.gov/legal-notices> with the Contract # 955 – 06/21/10 no later than June 1, 2010.

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D. Proposal Submittal

One (1) original and six (6) copies of all technical and price proposals should be submitted in a sealed envelope, with “Contract # 955 – 06/21/10” clearly marked on the outside of the envelope, to: John D. Ward, Town Administrator, Town of Vernon, Memorial Building, 14 Park Place, 3rd Floor, Vernon, Connecticut 06066 by 11:00 a.m. on June 21, 2010; at which time proposals shall be opened and read aloud publicly.

Proposals received the aforementioned deadline will not be considered and will be returned unopened to the respondent. Proposal preparation is solely at the respondent’s expense.

E. Proposal Evaluation

The Town will review and rank each technical proposal that is deemed responsive to this RFP. When this process is complete, the Town will take into consideration the total cost associated with each proposal. The Town reserves the right to select the Company who in its opinion best meets the needs of the Town. This is procurement for professional services and therefore weighted factors such as Price 40%, Experience 30%, Proposal 20% and working knowledge of our CAMA System (Pro-Val) 10% go into determining the most responsive proposal.

F. Start of Work

See Schedule or Best interest of the Town. The Town reserves the right to waive any informalities or reject any or all proposals or any part of any proposal.

G. Payment Terms

At the end of each thirty day period during the period covered by the contract, the Company is to certify in writing in the form of a progress report to the Assessor the percentage of the total work completed under the contract which the Company has performed during the said thirty day period. Such notification will itemize and accurately indicate the extent and nature of work performed by volume, street, category, or in any manner required by the Vernon Town Assessor (“Assessor”).

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H. Price Proposal Form

Price proposals must use the following format. Any optional services must be set forth on a separate form. Indicate whether the proposal is for the October 1, 2011 Grand List. Companies may submit price proposals for both, using separate forms for each.

Proposal: Revaluation 2011		Amount
Data Mailers	10,225	
Project Management		
Public Relations Program		
Residential Data Collection		
Commercial Data Collection	300	
Imaging of Sales & New Construction	300	
Data Entry		
Sales Analysis		
Market Rent & Expense Tables Development		
Residential Valuation Schedules		
Commercial Valuation Schedules		
Exempt Properties Valuation	281	
Residential Field Review	8,500	
Commercial Field Review	300	
Informal Hearings	350	
Field Checks from Hearings		
BAA Defense of Values	310	
General Consulting (Per-Diem & Hourly Rates)		
Field Inspections (Sales 2 yrs ,max 1000) & Bldg. Permits 500 max inspections)		

***** FAILURE TO COMPLETE THIS FORM WILL
 RESULT IN REJECTION OF PROPOSAL!**

The Town of Vernon reserves the right to perform various functions of the revaluation in-house, therefore it is important to provide the Town with specific price data.

II. TOWN RESPONSIBILITIES

A. Office Space

The Town will provide suitable office space in Town Hall Annex Building for the Company performing the revaluation. The Town will provide one telephone line with modem access for the duration of the project, to the revaluation Company. As stated in the staffing requirements, the revaluation Company must staff this office adequately throughout the term of the project, including the field supervisor and any additional clerical or technical persons as needed to meet all defined schedules.

B. Assessor Maps

The Town will provide copies of existing maps and the new maps when available including access to our GIS database.

III. SCOPE OF SERVICES

A. PART 1: October 1, 2011 Grand List Revaluation:

1. Overview:

This project is for a complete revaluation of all real estate within the corporate limits of the Town of Vernon, Connecticut as set forth in this RFP for the October 1, 2011 Grand List as described below:

- a. All taxable real estate, land, buildings and improvements.
- b. All exempt real estate, land, buildings and improvements.
- c. All public utility land and buildings.

All values established shall be full fair market value as defined in Section 12-63 of the Connecticut General Statutes with assessed values to be at 70% of fair market value and shall be based upon recognized methods of appraising. All work to be carried out in this project and all forms, materials, and supplies utilized in this project shall conform to and be executed in accordance with the requirements of the Secretary of the Office of Policy and Management and the Connecticut General Statutes pertaining hereto, and shall be subject to the direct supervision and approval of the Assessor of the Town of Vernon, Connecticut.

The Company shall value all newly constructed improvements and other building permit work in progress from October 1st, 2010 Grand List. The Company shall value all newly constructed building improvements and other building permit work that occurs after the October 1st, 2010 Grand List and to include the October 1st, 2011 Grand List along with those incomplete as of this valuation date. These parcels shall be included in the contract price and valued in the same manner as stated above, and as provided hereinafter.

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Collection of information and valuation impact from any demolition of structures occurring after the October 1st, 2010 Grand List will also be the responsibility of the Company.

Vernon’s last revaluation was performed in 2006 and implemented for the October 1st, 2006 Grand List. Parcel counts as of October 2009 are listed as follows:

2009 Grand List THE NUMBERS REFLECT ASSESSMENTS!

Property Class	Type	No.	2009
100	Residential	9,251	1,262,528,960
200	Commercial	473	237,988,000
300	Industrial	46	22,485,000
400	Public Utility	24	1,517,810
500	Vacant Land	151	8,405,120
600	Use Assessment	64	482,070
700	10- Mill Forest	None	None
800	Apartments	97	140,920,360
900	Exempt Properties	286	270,568,720

2. Personnel

The Company shall provide experienced and qualified personnel in compliance with the requirements of the Equal Employment Opportunity provisions of both the federal and state law. The Company shall adhere to all other legislation relating to employment procedures.

a. Qualifications of Personnel

The Town shall require the Company to provide a listing of all employees working in Vernon. The Town will have the background searches performed on all contract personnel at the Town’s expense.

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All personnel assigned to this project shall be subject to approval of the Assessor and shall be subject to removal from this project by the Company upon the written request of the Assessor and/or the Town of Vernon.

The potential Company must identify all project staff and their specific project responsibilities.

All Company personnel must have picture IDs, supplied by the Town, prominently displayed at all times.

Proposals must identify all positions such as Project Director, Field Appraisal Supervisor, Residential Appraisers, Commercial Appraisers, Commercial Appraisal Analyst, and Personal Property Appraiser and the number of field data collectors to be utilized.

The Field Appraisal Supervisor must be on site as determined by work schedules and deadlines throughout the course of the project. The Field Appraisal Supervisor must be available for resolution of any operational or public relation issues.

Any changes in the Company's staffing as outlined in their proposal must be approved by the Town. Any proposed new or replacement staff must have equivalent training and experience, and be subject to approval by the Assessor.

b. Staff Evaluation Criteria

The following evaluation criteria will be used by the Town to assist in evaluating the personnel proposed by each potential Company.

Project Director:

More than 10 years property assessment and mass appraisal experience, licensed as a State-Certified Appraiser in Connecticut or holds the CAE designation granted by the IAAO and certified as a Revaluation Supervisor by OPM.

Field Appraisal Supervisor:

More than 10 years property assessment experience and certified by OPM as a revaluation supervisor
Highly Advantageous

Commercial Appraisal Analyst:

More than 15 years commercial property appraisal experience, or holds MAI designation and must be licensed as a State-Certified General Appraiser.
Highly Advantageous

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Residential Appraisers:

More than 5 years property appraisal/assessment experience, and is licensed as a State-Certified Appraiser or certified by OPM for Land/Residential appraisal Advantageous.

Commercial Appraisers:

More than 5 years commercial property appraisal/assessment experience, and is licensed as a State-Certified Appraiser or certified by OPM for Land/Residential appraisal. Advantageous

Field Data Collectors: (must work only in conjunction with Residential, Commercial and Personal Property Appraisers to assist in measuring and/or listing improvements or assets and in no instance will inspect a property without an appraiser)

College level coursework or advanced technical training in construction, real estate or drafting. More than 1 year experience with field data collection of real estate data for an appraisal firm or assessor's office. These are the minimum requirements unless otherwise approved by Town Assessor.

c. Identification

All field personnel shall carry suitable identification cards supplied by the Town and signed by the appropriate municipal official. Such cards shall be laminated and include a recent photograph. All motor vehicles used by field personnel shall be reported to the appropriate municipal official, giving license number, make, model, year and color of vehicle.

d. Conflict of Interest

No Town Employee shall be employed by the Company, without prior approval of the Town Administrator.

e. Dress Code

All personnel in the employ of the Company should wear appropriate business attire and maintain a professional demeanor in the field and in the office, subject to the approval of the Assessor.

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3. General Conditions for Potential Company:

a. Certification

Each Company must hold from the time of submission of the proposal through the completion of all work, a valid Connecticut Revaluation Company Certificate pursuant to Section 12-2c of the Connecticut General Statutes.

b. Proposal

Each Proposal submitted shall include a copy of the Company's Connecticut Revaluation Company Certificate and shall itemize the Company's qualifications and experience. The Company shall submit a complete client list of municipalities to which it has rendered services during the last five years and the nature of those services. At least one such project shall have been performed for a municipality whose assessment list is comparable in size and type of properties to the Town of Vernon. The Proposal shall also include a statement showing the number of years the bidder has actually been engaged as a company, corporation, partnership, or individual specializing in municipal revaluation services.

4. Protection of the Town:

The Company shall secure and maintain, throughout the duration of the Contract, insurance of such types and in such amounts as required by Town charter and as may be necessary to protect the Company and the interests of the Town against all hazards or risks of loss as hereinafter specified. The form and limits of such insurance, together with the insurer, shall be acceptable to the Town, but regardless of such acceptance, it shall be the responsibility of the Company to maintain adequate insurance coverage at all times. The Company shall hold the Town harmless and the Town shall be indemnified from any claims that may occur as a result of the services provided by the Company.

The Insurance Procedure form must be read and signed by the person signing the proposal. This indicates that the signer of the proposal understands the insurance coverage required for the proposed work and agrees to provide them at no additional charge. Please note that the Town of Vernon does NOT accept the Accord form. A sample of the Town's certificate of insurance form is included as Attachment A.

BONDING: The Company shall, to insure the faithful performance by the Company of the terms of this R.F.P., furnish to the Town a performance surety bond in the amount of the final contract, which bond shall be issued by a bonding company authorized to do such business in the State of Connecticut. Said bond shall be in a form satisfactory to and approved by the Town Attorney. The performance bond shall include the appeal requirements of these specifications. It is understood and agreed that upon the completion of the approved delivery to the Town of Revaluation Project, the performance bond shall be reduced to 10% of the value of the contract to cover the defense of any appeals as described below. This reduced amount of bond shall become effective after the

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Revaluation Project has been completed and has been approved by the Assessor and after the completion of the duties of the Board of Assessment Appeals. Company shall pay any and all premiums and/costs of said bonding.

The reduced amount of the bond shall remain effective until a final resolution in the courts of any timely appeals taken from the doings of the Board of Assessment Appeals on the Grand List of October 1, 2011. Then there would be support for subsequent appeals at cost.

Respondents with the ability to furnish a performance bond in the full amount of the contract should list cost of performance bond separately. The performance bond format must be acceptable to the Town of Vernon.

a. Penalties

1. Failure by the Company to complete all work prior to the date specified herein, in a manner acceptable to the Assessor, shall be cause for a penalty payment by the Company on request of the Assessor in the amount of five hundred dollars (\$500) per day beyond the date specified in the project work plan and time schedule set forth in Section 7 below. For the purposes of this penalty only, completion of all work for the October 1st, 2011 Grand List is defined as follows for the timetable in Section 7 ultimately agreed upon by the Assessor and Company:
 - a) Completed street cards as applicable, with all measurements, listings, pricing, review, and final valuation. (Target Date: October 1, 2011)
 - b) Assessment notices sent out, hearings completed for all those wishing to be heard, and all calculations completed and ready for the Board of Assessment Appeals. (Target Date: January 31, 2012)
 - c) Written certification by the Assessor that the Company has fulfilled all contractual requirements of said project. (Target Date: May 1, 2012)
2. This penalty, if applied, shall be deducted from the contract price. Delays occasioned by war, strike, explosion, acts of God, or an order of court or other public authority are accepted.
3. This penalty shall be in addition to any penalty incurred by the Town for failure to meet statutory or regulatory requirements occasioned by the Company for which the Company hereby agrees to hold the Town harmless.

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5. Completion Date and Time Schedule:

a. Awarding of Proposal Contract

Within ninety days after the opening of the Proposals, the Town shall award the contract for the revaluation project. The Town reserves the right to reject any and all bids as previously stated.

b. Changes and Subletting of Contract

1. Changes

Changes in these specifications for revaluation in the contract will be permitted only upon written mutual agreement of the Company and the Town.

2. Subletting

The Company shall not assign, transfer, or sublet the contract or any interest or part therein, without first receiving written approval from the Town. It shall be mutually agreed and understood that said consent by the Town shall in no way release the Company from any responsibility or liability as covered in these specifications for reappraisal and revaluation and the contract.

6. Payment Schedule:

Payments shall be made in the following manner:

At the end of each thirty day period during the period covered by this contract, the Company is to certify in writing in the form of a progress report to the Assessor the percentage of the total work completed under the contract which the Company has performed during the said thirty day period as well as the cumulative percent completion to date. The Company shall submit to the Assessor monthly status reports as well as any work completed that is to be reviewed by the Assessor. The report shall contain specifics as to the work completed and the work to be done in the next month. Such notification will itemize and accurately indicate the extent and nature of work performed by employee, volume, street, category, or in any other manner required by the Assessor. The Assessor shall review and evaluate the progress of the project and shall notify the Company whether the work performed is satisfactory.

The Town, upon determination by the Assessor that the work during said period is accurate, will pay to the Company a percentage of the total compensation under this contract equal to the percentage of work certified as having been performed during said period in accordance with the schedule below, less ten percent (10%) which is to be retained by the Town for payment to the Company at such time that it has performed fully and satisfactorily all its obligations, requirements, and

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litigation under the contract. The retained ten percent (10%) of the contract price is to be paid upon the Board of Assessment Appeals completion of its duties on the October 1, 2011 Grand List.

7. Project Work Plan and Timetable:

The potential Company must submit a work plan and timetable to the Town as part of their proposal. This work plan must set forth the resources and major milestones for each phase of the project.

The work plan and timetable must address at a minimum the project tasks set forth below. The internal milestones set forth below are not mandatory. Potential Companies should propose milestones that allow for compliance with the project completion date. Development and issue of Property Data Mailers will be the responsibility of the Town of Vernon and not a part of the time table below.

Project Tasks	Start Date	Finish Date
Project Commencement 2011 Grand List milestones	07/01/10	
Public Information Program	07/01/10	8/31/11
Legal File Conversion – PRC Setup	N/A	N/A
Inspection of 500 Sales	07/01/10	10/30/11
Building Permit Inspections (500 max)	07/01/010	09/30/11
Data Entry of Field Data	08/01/10	11/01/11
Valuation Testing	07/15/10	10/01/11
Field Review of Values	09/01/10	10/01/011
Assessor Review of Values and Schedules	12/31/11	01/30/12
Prepare and Mail Assessment Notices	11/01/11	12/1/11
Informal Hearings	11/20/11	12/31/11
Re-inspections in response to Hearings	12/15/11	01/07/12
Value Change Notices	02/01/12	02/15/12
BAA Hearings		05/01/12
Project Completion		05/01/12

8. Public Information Program:

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The Company must provide a complete public information program pursuant to the outline set forth in the project timetable. This program may include newspaper articles, radio interviews, local TV, and meetings with appropriate public officials.

Due to the history of revaluation programs in the Town, public confidence in the revaluation program is crucial if the program is to be accepted. Proposals must set forth specific staff and include a total of 16 work hours that will be committed to public forums and or meetings. Companies must plan to conduct most of these meetings during early evening hours.

Companies must use senior project staff including the Project Director and Project Field Supervisor for these meetings and provide a per hour cost for each of these two specified project staff persons for additional public meetings that exceed the 16 hour minimum.

9. On-Site Inspection of Properties:

A. Measuring & Inspection of Real Property (New construction, building permits, sales)

1. Physical Details

The Company will make a complete listing of all physical details for all inspected residential, commercial and industrial buildings and, all structural improvements attached to each parcel or revise the existing property card as needed. Listing will include all interior and exterior construction details, quality of construction, age, condition and percent of physical and functional depreciation. All data will be recorded on proper forms approved by the Assessor.

2. Sketches

Company will sketch all new or modified buildings and physical improvements to scale; also on the predetermined form. Sketches will be drawn to the nearest foot and labeled, using the labeling procedures approved by the Assessor. Sketches must be produced for each condominium unit. When available, master deeds and associated floor plans can be used as the basis for producing sketches. There are no exceptions to the inspection requirements for condominiums. The computerized sketches should conform to the most updated standards in the computer assisted design software industry and should clearly show dimensions and story heights for primary and secondary structures and should calculate the square footage of each defined area.

3. Inspection

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**The Company must complete an on-site interior and exterior inspection of all new construction and sales occurring within two years of the assessment date and building permits not to exceed 500 inspections. Any inspections beyond the stated will be added to the per diem cost of the project, however must be approved by the assessor prior to the inspections. (The Project Staff Evaluation Criteria Section provides guidance as to what the Town considers appropriate qualifications and experience).

*This project is an **update revaluation** and therefore proposals must assume reliance on the existing Assessor's Office data.*

It is extremely important that the Town obtain an accurate inventory of improvements with a minimum of errors or estimates. The Company must specifically identify the procedures and staff that it will use to ensure high-quality data collection, subject to the approval by the Town Assessor.

The Company must review unimproved parcels that have road frontage during the property inspection program in a given area.

The Company must make an interior inspection of all sales and properties with outstanding building permits issued after 06/01/10. Excluded will be those properties wherein the owner refuses inspection.

All data must be collected consistently with the data specifications set forth in the sales analysis phase of the program.

All property data collected must be entered into the computer on-site in the Company's Town Hall Annex office and available for internal quality control and review by the Project Director and Field Appraisal Supervisor.

The Company will be responsible for all data security during the course of the project.

a. Verification

Company's appraisers will have each interior inspection verified by having an adult owner, resident of building, or building manager sign and date field card as applicable. The lister will also date and initial each field card to record the measuring and listing of the parcel.

b. Refusals

When entrance to a building is refused, Company's appraiser will make note of this and report weekly to the Assessor with names,

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addresses and reason for refusal. The Assessor shall review information and if he/she is unable to gain the cooperation of the party involved, he/she will notify the Company and the Company will estimate or use the best information available to determine the contents of the building.

c. Call Backs

When necessary the Company will attempt to gain entry for an interior inspection. These callbacks will be on a weekday after 6:00 PM and on a Saturday. Dates and times of callbacks will be recorded on the field card.

10. Field Review: Quality Study/Pre-Review:

1. Quality Control: Experienced Company Staff will perform a field review of data that has been collected by appraisers. During this step, adjustments to grade, depreciation, and functional/economic adjustment factors may be made to better reflect market trends within the Town. Observed depreciation shall include physical depreciation, functional and economic obsolescence. Final depreciation will reflect the interior and exterior condition on all types of properties. For older homes, the effective age will be estimated. The Assessor's Staff will work closely with the Company's reviewers verifying consistency of grades, depreciation, etc. The Company shall be required to submit a detailed quality control program. The quality control must address both the accuracy and validity of data. This program should include some form of data recollection to assure the quality of the data being collected. This program must include comprehensive reporting system and be approved by the Assessor.
2. Valuation Review: The Company will field review all necessary parcels after value generation. The Company is responsible for the review of value estimates for all real property parcels to verify that the application of the valuation methodology employed has resulted in the uniform and consistent valuation of comparable properties. The Company shall be required to submit final values in a timely manner to be determined by the Assessor. The Company will record on the **PRO-VAL CAMA** data file, the source of the final appraisal value (cost, market, income, appraiser override, etc.) and the date the final review was made.

Individuals conducting this phase of the program must have valuation expertise, field review experience and knowledge of the valuation techniques employed in the Town, as well as complete familiarity with the revaluation project. During review, if valuation changes are made due to data error, the data must be

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corrected on the property file by the Company. The assessor has the right to amend the procedures.

The Company shall provide the Assessor with written procedures for the conduct of valuation field review at least ten (10) days prior to commencing field review.

11. Valuation Methods and Procedures

a. Valuation Approaches

1. Market Approach

The Company must describe in detail its particular methods for generating values with the market value approach. Every real property should be valued by the market approach, with the exception of special use properties, with consent of the Assessor. The comparative sales approach or a statistical modeling approach are the two preferred techniques. If a statistical modeling approach is employed, the Company must specify the techniques employed and the types of property that will be valued with these techniques. If the direct sales comparison method is employed, all adjustment techniques must be described by the Company in its proposal.

a. Sales Verification

The validity of all sales for the past 2 years shall be determined by the company and approved by the Assessor. A complete inspection and measurement check must be made of the property to determine the correctness of the current physical listing. The Company shall develop a sales file which will reflect the property characteristics of the property as of the date of sale. These validated sales will be the basis for the comparable sales approach for the real properties. The Company shall develop and provide the Assessor with written documentation for the sales verification effort. A sales transaction file must be created to manage all information relative to the terms of the sale and the exact condition and physical improvements at the time of the sale. This file must be used as the basis for all valuation analysis activities and must include at a minimum all sales that occurred between January 1, 2010 through mid-2011 for the October 1, 2011 Grand List or from October 1, 2009 through mid-2011 for the October 1, 2011 Grand List.

It must contain the individual property characteristics that will ultimately be used in developing the statistical revaluation.

Specific issues that are addressed in the sales verification process are as follows:

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Date of Sale

Price Paid

Financing terms of the sale

Details of what the sale included

Property characteristics as of the date of sale

If non-arms length, description of reasons

Buyer motivation if buyer responds

Number of days on the market

Verification source(s)

2. Cost Approach

In addition to the market approach, the Company shall derive a value for real property by estimating the current cost to replace the existing structure, deducting for all accrued depreciation in the property, and adding the estimated land value. The Company shall develop cost schedules based on current costs of labor and materials prevailing in the Town during the year immediately proceeding October 1st valuation date.

The Company must market calibrate for the Town the replacement cost approach employed for appropriate classes of property. All forms of depreciation (physical, functional and economic) must be analyzed for the range of properties in the Town. Physical depreciation must be determined by estimating the effective age of each property. Any additional adjustments for functional or economic obsolescence must then be made.

In calibrating accrued depreciation to local market conditions, and in estimating accrued depreciation, a report of the sales used including the properties used, and the adjustments that were derived must be submitted to the Assessor for approval.

Accrued depreciation attributable to economic obsolescence must be measured by capitalizing rent loss using an appropriate capitalization rate. Entrepreneurial profit should be included in the calculation.

All values must be in compliance with nationally recognized professional mass appraisal standards, including Standard 6 of the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal

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Foundation. Any proposed modifications to the valuation schedules must be reviewed and analyzed with the Assessor prior to generating the proposed values for field review.

The Company shall develop and explain separately each depreciation factor on the property record card. Land values shall be added to the depreciated improvement value. Compare the depreciated replacement cost of each property with the value produced via income analysis, or sales comparison, and develop obsolescence guides by type of property and location. Analysis shall be reviewed with the Assessor and a copy shall be provided to the Assessor at the completion of the project.

3. Income Approach

The Company shall determine a value for income-producing property by converting anticipated income into a property value. The Company shall either capitalize a single year's income expectancies at a market-derived capitalization rate or a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of investment, or discount the annual cash flows for the holding period and the reversion at a specified yield rate. Typical income and expense ratios shall be developed by the Company by property type and approved by the Assessor. Residential multi-family properties containing up to six units shall be valued using the gross rent multiplier (GRM) in accordance with §12-63b. Copies of leases shall be analyzed and kept on file in the Assessor's Office.

4. Land Valuation

The land values will be derived from market sales and/or land residual analysis. The land values will be set by the Company and reviewed by the Assessor. As with all valuations for the Grand List, in the event of any disagreement between the Assessor and the Company, the Assessor shall have the final decision confirming all land values and methods. Full value and the ("PA490") farm, forest and open space use values, where applicable, shall be calculated by the Company.

A complete land appraisal schedule must be developed for application to all types of vacant land property. Market derived adjustments must be derived for all factors influencing land value; including at a minimum, size, location, zoning, and condition. Values of interior lots should be adjusted according to market indicators.

For areas where there are insufficient land sales, land value must be extracted from the sale price of improved properties by deducting the depreciated cost of the improvements. Land residuals must be derived by first, determining the economic rent for an improved property. Second, the rent is allocated between

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the land and improvements. Finally the residual income to the land is capitalized by a market-derived capitalization rate to generate a land value estimate.

Waterfront properties must be valued by a unit value per linear feet of water front adjusted for depth, quality of water frontage and location. Quality of water frontage should be determined upon site visits during low and high tides and determining the relative quality of beach and/or docking amenities.

5. Neighborhood Delineation

The Company will utilize existing neighborhood boundaries. Creation of new neighborhoods or changes in neighborhood boundaries must be approved by the Assessor if just cause is shown. These neighborhoods are determined by analysis of the market factors needed to select comparable sales for the sales comparable approach to value. Boundaries such as highways, natural, economic conditions and zoning etc. shall be reconsidered.

b. Valuation of Real Estate:

The Company will calculate a value estimate for each parcel that will be comprised of values for land, building(s), outbuilding(s), site improvements and total value. The final assessed value shall reflect 70% of fair market value as of October 1st, 2011. The Company shall compute to the nearest 100 dollars the value of all properties identified above.

1. Residential Properties

The market approach is the preferred valuation methodology for parcels in the residential category. The existing CAMA system Manatron (Pro-Val) contains proven techniques for developing market estimates of value.

In addition, the CAMA system will present a summary of the cost approach for a subject and from three to five comparable sales, showing the basic inventory information for each.

The comparable sales in the same market environment will not be merely similar properties, but will be the three to five most comparable sales in the entire sales file. This determination will be made by calculating a weighted measure of comparability based on the relative importance of each physical characteristic (location, size, age, grade, and condition etc.). The sales, which most closely resemble the subject, will then be selected as comparable.

Each individual selling price will then be adjusted to reflect differences in sales dates and physical descriptions to arrive at an adjusted selling price for each sale.

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The review appraiser can then choose the final market value estimate, the cost approach or arrive at a separate value estimate based on the information available as the basis of the appraised value.

On the basis of a comprehensive study of sales, valuation schedules must be developed for the specific market neighborhoods. Companies must describe in detail their methodology for addressing this study and specifically who will be responsible for this work.

2. Commercial/Industrial Properties

The appraisal of income producing properties relies heavily on an analysis of what the prudent investor would pay for a given property based on the income stream that the property could reasonably be expected to produce. In this regard, the actual income/expense information for each property will be collected and analyzed to arrive at a capitalization rate reflective of the market environment.

The Company will be responsible for the collection of the income/expense forms, and for the field verification of this data. The Company must use income and expense data gathered using the OPM Form #M58. The Company is responsible for producing these forms. The Town will mail and pay for postage. The Company, subject to the approval of the Assessor, will handle the analysis of the data.

Capitalization rates shall be developed by type of property, and location. When the Assessor has approved capitalization rates and techniques, the Company shall perform income approaches using both actual and market income and expense data. The Company must complete an analysis of current investment criteria for the various types of commercial and industrial real estate.

The Company must analyze income and expense mailers along with area economic data to determine market rents and expenses for the various types of property. In instances where there is insufficient economic data for specific types of property, the Company must secure the best information obtainable from sources in the real estate community.

The Company must verify each commercial sale that occurred in the Town three years prior to the date of valuation. Additionally, sales data must be collected for any regional sales in property sectors where there are limited sales in Town.

Along with reviewing information recorded relative to the transaction, attempts must be made to obtain transaction information from the grantor and grantee regarding the sales. Such information may include: financing terms, lease

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obligations, and the inclusion in the sale price of any asset that is not a component of the real estate.

The review appraiser will be provided with a single review document which provides information regarding the physical characteristics of the property, the indicated cost approach, and one or more approaches to value that have already been adjusted to reflect the location, age, and condition of the subject property.

12. Assessment Notices:

At the close of the revaluation, a notice shall be sent at the Company's expense by first class mail to each owner of record, setting forth the valuation that has been placed upon the property identified in the notice. The notice shall be prepared in duplicate by hard copy or electronically and in conformity with the Connecticut General Statutes, as from time to time amended. Further, enclosed with such notice shall be a letter specifying the dates, times, and place of the informal public hearings with an explanation as to the appeal process. Such notices and letters shall be subject to the approval of the Assessor. A duplicate copy of all letters sent shall be arranged in alphabetical order and furnished to the Assessor.

13. Informal Public Hearings:

The Town places a high degree of importance on property owner satisfaction and understanding of the revaluation program and process. Every effort must be expended to afford property owners an informal hearing if it is requested. The Company must provide knowledgeable persons to receive taxpayers' telephone calls and to set up appointments. A minimum of three persons must be available from 8AM to 8PM to handle scheduled appointments. The Town will provide at least two additional phone lines during the hearing appointment process. The Company must hold meetings with all taxpayers requesting a meeting. Hearings must be conducted between the hours of 8AM and 8PM. Hearing rooms will be provided in Town Hall Annex Building or other designated area approved by the Assessor.

Proposals must include an estimate for conducted hearings for ten percent of the properties in either the residential or commercial/industrial classes. Proposals must set forth the per parcel hearing cost for residential and commercial/industrial hearings in excess of ten percent of the parcel counts based on the 2010 Grand List.

The Company must inspect any property that appears to contain an error that impacts value based on the information provided at a hearing.

Any property that did not receive an interior inspection prior to the informal hearings must be inspected before any reduction in proposed value is made.

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Any recommended changes to assessments proposed based on field inspections and reviews subsequent to the hearings must be submitted to the Assessor for approval.

The Company must provide at a minimum the following information to the Assessor at the conclusion of the hearings:

- Number of problems resolved during hearing
- Number of hearings requiring subsequent field review
- Number of properties requiring parcel inventory changes
- Number of value changes by property type
- Number of informal hearings
- Number of Change Notices

14. Board of Assessment Appeals:

The Company shall have a qualified member or members of its staff available for attendance at any deliberations of the Board of Assessment Appeal meetings to be held after the completion of the revaluation, Sundays excluded. Appearance before the Board of Assessment Appeal or meetings subsequent to the Board's hearings for more than three per cent (3%) of the parcel counts as identified above (2010 Grand List counts) is an additional cost. The Company must set forth a per hour cost for this service.

The Company must provide the Board with training on all aspects of the revaluation program for each class of property. If an action arises to revoke the revaluation of the October 1st 2011 Grand List, the Company shall provide competent witnesses to defend the revaluation at no cost to the Town.

LITIGATION: For any subsequent litigation, the Company must make available narrative appraisals and testimony with experienced expert witnesses with nationally recognized appraisal designations for both residential and commercial/industrial real estate and licensed in Connecticut as a State-Certified General Appraiser. This is an additional cost service and the Company must provide a per diem estimate for this service. Proposals must specify the staff assigned for this work.

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15. Transmittal of Records to the Assessor:

Regular periodic delivery of appraisals, as completed, shall be turned over to the Assessor for review. All appraisals of buildings, either completed or under construction and all completed and corrected records shall be turned over to the Assessor by the dates specified in the schedule agreed upon by the Assessor. All documentation employed in conjunction with this program, shall become the property of the Assessors.

The final inspection and review shall take into consideration any known or apparent changes in the individual property since it was first inspected in order that the final appraisal of property shall be made as of October 1, 2011. This information and/or appraisal or record shall not be made public until after the informal hearings, except to the extent that public access may be compulsory under the provisions of applicable law.

The Company shall give to the Assessor any and all information, including but not limited to, pricing schedules, hearing information etc., necessary and pertaining to the revaluation work for a period of one year after completion of the duties of the Board of Appeals on the October 1st Grand List without further cost to the Town.

16. Revaluation Testing and Standards

The completed revaluation by the Company shall meet and include all established Performance Based Revaluation testing & Standards Certification in accordance with Connecticut General Statute 12-62 including the submission of forms, supporting documents and summary results to the Vernon Town Assessor.

17. Current Contract Commitments:

List all current government clients and the scope of work and contact person.

List any project staff proposed for this project that are working or are committed in any way to those clients. Specify the number of workdays that each person is committed or planned to be committed for these projects.

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18. LIMITATION OF LIABILITY:

During the term of Agreement, Company shall maintain insurance coverage covering its operations as follows:

- A. Workers' compensation and Employers' Liability in amounts no less than the limits of liability required by law.
- B. Automobile Liability in the amount no less than \$1,000,000.
- C. Commercial General Liability on an occurrence basis in amounts no less than the following:

General Aggregate	\$2,000,000	Products	\$2,000,000
Personal / & Advertising Injury	\$1,000,000	Ea. Occurrence	\$1,000,000
Fire / Damage	\$1,000,000	Medical Expenses	\$10,000