

ATTACHMENT A – REVISION 1

SCOPE OF SERVICES

A. OVERVIEW

During the contract term, the Service Provider is expected to perform appraisals on an as-needed basis for an undetermined number of existing court facilities and prospective court facility sites throughout the State of California. Appraisals may be ordered at any time during the contract term or not at all. The subject properties are located in various counties throughout the State and are located in urban, suburban and rural areas.

Use of Subcontractors: The use of subcontractors will be permitted and, in some cases may be necessary to meet our requirement below for use of local appraisers and/or appraisers with experience in the location of the existing or prospective court facility (see below); however, the Service Provider will itself remain the sole point of contact with the AOC, will be solely responsible for the supervision and the acts of its subcontractors, and must warrant the work of such subcontractors as if it were the Service Provider's own work.

B. REQUIRED APPRAISAL SERVICES

1. General Report Requirements

- a. Types of Properties
 - 1) Land
 - 2) Land + Improvements

- b. Types of Reports
 - 1) Restricted **Appraisal Report Use**;
 - 2) Appraisal **Report Summary**
 - ~~3) Self-Contained; and~~
 - ~~4) Commission~~

- c. Approaches required:
 - 1) Cost Valuation
 - 2) Income Capitalization
 - 3) Sales Comparison
 - 4) Combination of above
 - 5) Alternative approach for Special Use properties
 - a) Use Value
 - b) Going Concern Value
 - c) Combination of above

- d. Types of Services
 - 1) New appraisal report.
 - 2) New appraisal report – AOC provides a recent appraisal report from another firm.
 - 3) Multiple new appraisal reports for properties in the same vicinity, being appraised concurrently, thereby affording Service Provider certain economies of scale.
 - 4) Update of a previous Service Provider appraisal report, to reflect current market conditions.

- 5) Update of a previous Service Provider appraisal report to reflect expanded scope.
- 6) Update of a previous Service Provider appraisal report to reflect reduced scope.
- 7) Update of a previous Service Provider appraisal report to change approach used.
- 8) New Commission appraisal report to determine brokerage market commission rates where a broker represents the AOC to acquire a specific type of property.

2. State of California, Department of General Services Requirements: All existing and prospective court facility ~~Appraisal Reports self-contained appraisal reports~~ must conform to the requirements of the State of California, Department of General Services (“DGS”) Appraisal Review Unit. DGS reviews all AOC appraisal reports commissioned in connection with the acquisition of real property and will reject any appraisal if it is non-conforming. Requirements (“DGS Requirements”) are as follows:

- a. Each ~~Appraisal Report self-contained appraisal report~~ must conform to the requirements contained in the DGS document entitled “Department of General Services Appraisal Specifications (DGS), (Revised January 1, 2008)” (“DGS Specifications”), as may be revised or updated from time to time. The current document is included as **Attachment A-1** to this RFP.
- b. Each ~~Appraisal Report self-contained~~ appraisal report must include a statement regarding “Implied Dedication”. Please refer to the DGS document regarding Implied Dedication, included as **Attachment A-2** to this RFP.

3. Additional AOC Report Requirements:

- a. All depictions of the subject property and the comparable properties must be a minimum of 4” x 6” in size, including any photographs required by DGS Specifications.
- b. While not stated in the DGS Specifications, local appraisers with knowledge of the local real estate markets are preferred, therefore the AOC requires that each appraisal be performed by, and signed by, a local licensed appraiser with minimum of 5 years experience in the geographic market in which the subject property is located. In the event the Service Provider does not have a local licensed appraiser in the market where the appraisal work is to be performed, the Service Provider must sub-contract the appraisal work out to a qualified licensed appraiser who is located within that market. The Service Provider will remain responsible for overseeing the subcontractor’s work and for insuring that the work meets all contractual requirements between the AOC and the Service Provider. Because the definition of “local” may vary depending on location, the Service Provider will need to indicate in its quote to the AOC how it intends to meet this requirement.
- c. Regional, area, and neighborhood analyses (Item 13 in the current DGS Specifications) are to include economic trends regarding employment, income levels, population data, household size, housing statistics, nearby support facilities (e.g. schools, retail), transportation linkages, traffic counts, development density, and condition of

surrounding properties. Data sources for these analyses should include local real estate market participants and internal and external reports.

- d. Real estate data collected and analyzed (Item 14 in the current DGS Specifications) are to include occupancy levels, absorption rates, construction supply pipeline, rental rates, operating expenses, tenant improvement allowances, leasing commissions, capitalization rates, and marketing/exposure periods for similar properties.

C. CONTRACT ADMINISTRATION REQUIREMENTS

- 1. Order/Price Quote Process.** When the AOC requires appraisal services, we will request price quotes from one or more firms currently on contract with the AOC. Each firm will provide a separate written, signed price quote for each new appraisal order. Service Provider's price quotes must include the following:

- a. If requested by the AOC, Service Provider's suggested approach(es) to be used for the appraisal. (Note: For **Appraisal Reports self-contained appraisal reports**, any request by AOC for this information, does not in any way limit the requirement that Service Provider comply with DGS Requirement No. 19 included in **Attachment A-1.**);
- b. A complete list of any assumptions or limiting conditions that will apply to the appraisal;
- c. A list of Service Provider's personnel and Subcontractors, if any, identified by name, title and hourly rate, that will be assigned to perform the appraisal;
- d. Indicate how the local appraiser requirement will be met (years of experience and/or listing of appraisal reports [including dates] previously prepared in the requested location);
- e. If requested by the AOC, a detailed Work Plan and a schedule of critical path responsibilities, describing the Work to be undertaken and identifying individuals and resources necessary for the performance of the Work in accordance with the schedule (if applicable);
- f. A not-to-exceed amount for the services necessary to provide the appraisal, including a buildup of the price based upon the hourly rates;
- g. If applicable, an estimate of the travel and living expenses necessary to provide the appraisal, which must be priced as provided for in the Travel and Living Expense Guidelines. (See RFP **Attachment C, Exhibit C, Par. 2.E.**);
- h. A Firm Fixed Price for any permitted reimbursable expenses necessary to provide the appraisal.

- 2. Delivery/Approval of Reports by AOC**

Service Provider will e-mail an electronic version of the report to the AOC for review and comment no later than the mutually agreed-upon due date for completion of the work. (If requested by AOC, Service Provider will provide the report in MS Word format to allow the AOC to insert comments and/or questions into the document for Service Provider's review.) The AOC will provide comments and/or questions to the document and provide that

document back to Service Provider. Once agreement has been reached on the final changes, Service Provider will provide to the AOC within five (5) business days both an electronic PDF version of the final report (via e-mail) and hard copy, bound reports in the quantity requested and to the address or addresses specified.

3. Approval of Reports by DGS

- a. If ~~a self-contained appraisal report~~ an **Appraisal Report** is rejected by DGS because the report does not conform to one or more of the DGS Requirements noted above, Service Provider will, at no additional charge to the AOC, and within no more than five (5) business days after written request from AOC, revise the report to conform to the DGS Service Provider also will provide a redlined document which shows the edits made, as compared to the original appraisal report.
- b. If ~~a self-contained appraisal report~~ an **Appraisal Report** is rejected by DGS for any other reason, the AOC and Service Provider will negotiate a reasonable fee to cover the cost of revising the report to address DGS's new requirements. Upon agreement by the AOC and Service Provider, as to the fee to cover the cost of revising the report, Service Provider will, within no more than five (5) business days thereafter, revise the report to conform to the new requirements. Service Provider also will provide a redlined document which shows the edits made, as compared to the original appraisal report.
- c. Once changes have been accepted by the AOC and finalized, Service Provider will provide the revised reports to the AOC in accordance with paragraph C.2. above (Delivery/Approval).

4. The AOC expects the following administrative services to be provided at no additional charge:

- a. Status Reports: If requested by the AOC, Service Provider will provide the AOC with regular order status reports on a weekly, bi-weekly, or monthly basis, at AOC's option.
- b. Copies of Reports/Delivery: Up to four (4) hard-copy, bound reports with original signatures, delivered via courier service or USPS to an AOC-specified address within California.

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