

Contracted Countywide Review Reappraisal Plan (Five Year)

Washington County, Arkansas



Submitted to the Assessment Coordination Department on
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A-10b

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PREFACE

In accordance with Act 1185 of 1999, as amended, Washington County Arkansas (hereinafter referred to as "County") is submitting the following Contracted Countywide Review Reappraisal (hereinafter referred to as "Plan") to the Arkansas Assessment Coordination Department (hereinafter referred to as "ACD") for approval. The reappraisal conducted in accordance with this Plan shall be completed within 60 months, from December 31, 2010. In addition, the provisions of Amendment 59 to the Arkansas Constitution and Arkansas Code Title 26, Chapter 26, Sub-chapter 4 relative to the adjustment or rollback of millage levied for ad valorem tax purposes shall be applied.

The County acknowledges, understands and agrees as follows:

1. The Preliminary Plan consists of the Preface, Five Year Countywide Review Reappraisal Plan and Bid Specifications herein contained. The Final Plan will consist of additional items including a Contract between the Appraisal Firm and the County and a Planned Progress report approved by the ACD.
2. Any proposed deviation from the Plan by the county or the appraisal company awarded the contract (i.e., amendments to the Plan) must be submitted in writing and approved by the ACD. The proposal must clearly state the factor(s) necessitating the deviation. After preliminary approval of deviation from this plan, an addendum to the contract with the Appraisal Company must then be prepared immediately, along with the amended Plan, both of which are to be executed in the same manner as the original contract. The ACD shall then issue its approval provided the final documents comport with the proposed deviation.
3. Failure of the contractor to abide by provisions of it shall result in the termination of the Plan and immediately cause the termination of the contract.
4. Prior to termination of the Plan, the ACD shall notify the Contractor setting out the factors giving rise to the preliminary decision to terminate the Plan and afford the Contractor an opportunity to appear before the Director of the ACD to show cause why the Plan should not be terminated.

CONTRACTED COUNTYWIDE REVIEW REAPPRAISAL 5 YEAR PLAN

The Appraisal Company agrees to abide by the International Association of Assessing Officers (IAAO) Standards. The Company is aware that its failure to abide by all terms of the contract with the County, including a failure to abide by the foregoing standards, shall be sufficient cause to allow the ACD to withhold approval of any future contracts until the Appraisal Company has fully complied with its past contractual obligations.

Contracted Reappraisal Plan requires that the Appraisal Company performs the following:

- 1.** Contractor shall physically inspect and estimate the value of 93,315 real estate parcels, and the data shall be entered into the County's CAMA system. This number represents the ACD's taxable parcel count. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. For purposes of this Plan a thorough visual review of each property means the contractor will ensure that improvement characteristics are accurately accounted for and improvement measurements are maintained within one foot of actual dimensions at a 95% accuracy rate.
- 2.** Derive appropriate values and mail notices of revaluation on aforementioned parcels no later than ten working days after July 1 of the valuation year.
- 3.** Complete Board of Equalization hearings by a date no later than the date prescribed by law.
- 4.** The values of all real estate parcels reappraised in accordance with this Plan shall be adjusted to reflect market values as of January 1 of the valuation year.
- 5.** In keeping with the intent of Act 1440 of 1999, newly discovered and newly constructed property shall be appraised and assessed at prevailing values until such time as all real estate parcels have been revalued.
- 6.** All bona fide agricultural land, timberland, and pastureland will be valued in accordance with the Arkansas Constitution and A.C.A. 26-26-407.
- 7.** After the completion of the reappraisal, millage rates for each taxing unit shall be adjusted in accordance with Amendment 59 to the Arkansas Constitution and A.C.A. 26-26-400 series.
- 8.** The Appraisal Company will submit monthly progress reports to the Assessment Coordination Department, on forms designated by the department.
- 9.** All electronically stored real estate parcel information will be made available to the ACD. Access to information will be made available through electronic transmission, and the contractor will ensure that current data and valuation information collected will be accessible in the county assessor's office no later than 30 days after its collection or determination.
- 10.** The Appraisal Company will abide by the Standards and Procedures described herein.

BASIC STANDARDS & PROCEDURES TO BE FOLLOWED WHEN CONDUCTING A COUNTYWIDE REAPPRAISAL

1. Public Involvement and Community Relations: Success of the countywide reappraisal program is dependent on the level of understanding and support given by the general public. For this reason, the contractor will develop a complete and effective public relations program including the following activities:

(A) Informational materials will be prepared for use in conjunction with public appearances and for handouts.

(B) Talks will be scheduled before service clubs, civic organizations, and neighborhood groups as often as possible.

(C) The news media will be kept informed as to program objectives, progress, and accomplishment.

Recognizing that a taxpayer contact represents a public relations opportunity, employees shall be trained:

(A) to be completely familiar with the countywide reappraisal program;

(B) in telephone and face-to-face communication etiquette;

(C) to alert neighborhoods as to the field activities which shall occur in their area.

Public relations will be the responsibility of all employees involved in the countywide reappraisal program. The fundamental responsibility for implementation belongs to the County Assessor.

2. Valuation Methodology: The first phase of the valuation component will be data collection and analysis. The physical data and an analysis of all market/economic data, will render an appraised value calculated by CAMA, or for special purpose or unique properties by support staff, for each property. All three approaches (sales comparison, cost and income) will be used, depending upon the applicability of the approaches to specific properties or classes of property. The final valuation will be carefully reviewed and field checked for any changes that have occurred to properties since the time of the last field inspection.

On completion of the valuation process, the Appraisal Company will be responsible for a careful review of the estimates for each appraised parcel. The review and inspection shall be conducted by members of the appraisal staff, and is intended to identify any errors that may have occurred, to ensure accuracy and quality of data collected. The Appraisal Company shall consider the indicated value of the structure and indicated value of the land against sales information concerning comparable parcels. The reviewer is to ensure that each property has been valued in relation to other properties and in accordance with state law. Fifty percent (50%) of parcels will be completed immediately before April 19 of the valuation year and the remainder before the change of value notification deadline.

(A) Appraisal of Land: A separate estimate of fair market value shall be made for each parcel of non-agricultural land as if it were vacant. The sales data covering fair market sales of vacant non-agricultural land in all property classifications shall be secured from all available sources and shall be compiled, checked, and analyzed for use in the determination of non-agricultural land values and their units of comparison throughout the county. In the interest of fairness, equalization, and accuracy the base lot method shall be employed to determine the valuation of all market value land. IAAO defines the base lot method as: "...the standard or "base" in each stratum through a traditional sales comparison analysis with the base lot serving as the subject parcel. Once the base lot is established, it is used as a benchmark to establish values for individual parcels."¹

The Appraisal Company shall carefully consider all factors affecting the value of land (such as zoning, location, shape, size, topography, access to railroads, roads, waterways, present use, etc.) and will make appropriate adjustments when establishing final values.

To the extent practical, land value computations shall be made in accordance with four categories, as follows:

- City and Rurban Residential - front foot, square foot, or lot values
- Rural residential - per acre or lot values
- Commercial - front foot or square foot values
- Industrial - square foot or acreage values

All established base land values for vacant and improved parcels shall be recorded on the appropriate fields of the record card and carefully checked for accuracy. All land values shall be reviewed with the same accuracy and diligence as the buildings in conjunction therewith.

(B) Improved property: In arriving at the value of each parcel of improved property, the Appraisal Company will consider all three approaches to value where applicable. The Company shall make a careful analysis of the replacement cost of newly constructed buildings by using the 1995 edition of the Arkansas Assessors Real Estate Manual or a cost manual otherwise approved by the Assessment Coordination Department. Local sales data will be used to arrive at appropriate local market adjustment factors required to calibrate the cost system. The contractor shall develop appropriate local market adjustment factors by analyzing fair market value sales. These sales shall be validated by at least one of the approved ACD methods, and shall be adjusted for time as needed. All sales validation coding shall be reflected in the CAMA system. The Appraisal Company will employ the age-life method of depreciation using the observed condition of the property and total life expectancies based on state standards.

¹ Property Appraisal and Assessment Administration 1990 p. 188

(1) Residential Property: The Appraisal Company shall inspect the exterior of each structure. Interior data shall be obtained through personal interviews when possible. Construction features, characteristics, appendages, accessory buildings or irregularities for each property shall be recorded on the data collection card. Grade classification shall be distinctly considered and state appraisal guidelines followed for each building. Periodic inspections of work of all appraisal personnel shall be made by the project supervisor in the grading (or classifying) of dwellings to insure correct, uniform, and consistent grade classification use.

A perimeter sketch of each residential building will be drawn in the graph on the data collection card and all necessary dimensions and identification symbols shall be placed on this sketch. Appendages such as attached garages, porches, etc. shall be carefully shown with dimensions and labeled accordingly. All other information on the data collection card will be filled out completely.

(2) Multi-family Income Producing Property: All income producing multifamily residential properties shall be inspected and appraised at market value. All building features, components, or characteristics as outlined shall be identified, measured and listed. The year of construction of the building shall be obtained. Other improvements such as paved drives, fencing, pools, patios, tennis courts, etc. shall be identified, measured and listed. Occupancy units of each building shall be determined at the time of inspection and recorded along with any other pertinent information that could affect value or be used as the basis for units of comparison. Rental data shall be extracted from reliable sources. The income approach, cost approach, and sales comparison approach will be considered in arriving at the final property value, when sufficient data is available. The appraised value of all properties shall be reviewed during final review by supervisory personnel and adjustments or corrections made where applicable.

(3) Commercial/Industrial Property: All commercial/industrial properties will be inspected and appraised at market value. All building features, components, or characteristics as outlined will be identified and listed. The year of the building construction will be obtained. Other improvements such as paved drives, fencing, mechanical features, equipment, etc. shall be identified, measured and listed. Occupancy of each building will be determined at the time of inspection and recorded along with other pertinent information that could affect value. Lease or rental information shall be extracted from reliable sources. The income approach, cost approach, and sales comparison approach will be considered in arriving at the final property value, when sufficient data is available. The appraisal of all commercial property will be supported by detailed computations.

(4) Rural Property: All improvements on agricultural properties will be inspected and appraised at market value. Dwellings and improvements will be described and valued in the same manner as residential property. The object is to establish a fair, equitable, and realistic value by comparing properties with other like properties, and to maintain the same level of

market values placed on all other classes of property within the taxing jurisdiction.

The use value of all bona fide agricultural land will be calculated using the most recent (valuation year) per acre estimates furnished by the ACD. The acreage of each soil type will be calculated and its use determined by physical inspection or recent aerial photographs. The determination of a property's use shall be discovered by visual inspection whenever possible. Determination of use by aerial photograph shall be used as last resort only when the subject property cannot be accessed by vehicle.

3. Notification and Hearings: A change of value report will be generated by July 1 of the valuation year. Notices will then be mailed to all property owners having an increase in valuation, no later than ten working days after July 1 of the valuation year. These notices will show the appraised value, classification(s) of the parcel, assessed value, and a statement that the property owner has a right to appeal to the equalization board, including the dates when the equalization board shall meet, and other requirements of Act 572 of 1999. The notice form shall be that found in the ACD rules or an alternative form approved by the ACD. ACD approval shall be in writing.

The taxpayer shall be given the opportunity to informally appeal the new assessed value. A taxpayer may file a complaint if the valuation of property has not increased or has decreased from the previous year. The taxpayer must petition to appear before the equalization board by the third Monday in August, after which no petition for appeal shall be accepted.

4. Property Classifications: All property classifications shall be reviewed and revalued as required using means of accepted standards for mass appraisal practice.

5. CAMA and Data Accuracy Control: The Appraisal Company acknowledges that the CAMA system provides the county with complete computer-assisted mass appraisal support by providing cost, market, and income valuation support. It is capable of assisting in valuation of residential, commercial, industrial, agricultural and special purpose real estate properties.

The contracted reappraisal Plan shall have quality assurance, performance analysis, and accuracy control for data entry.

(A) Quality assurance is the primary responsibility of the records control section. This section will check all property record cards for missing data, etc., returning all incomplete or incorrect record cards to the field section for correction.

(B) Performance analysis will be accomplished using a CAMA system or by means of manual calculations necessary for comparative analysis.

(C) Accuracy control will be the responsibility of personnel who receive, store, dispense, monitor, and review the data.

6. Sales Questionnaire and Sales Data Collection Process: The Appraisal Company will develop a comprehensive data collection program using the sales questionnaire. This data and other data shall be included from sources such as:

- (A) Buyers of Real Estate
- (B) Sellers of Real Estate
- (C) Real Estate Brokers
- (D) Mortgage Companies
- (E) Builders
- (F) Real Estate Sales Listings (e.g. multiple listing services).
- (G) ACD Sales Verification Form

The sales questionnaire phase will be on going throughout the cycle. In the field, a detailed interview will be conducted (when possible) with the resident in lieu of an interior inspection of each home. When data is in doubt a postage-paid questionnaire will be left on the door if no one is at home and the data collector has left the neighborhood.

Since the data collection will occur over an extended period and property characteristics may change during that period, a sales data maintenance program shall be established.

7. Employee Training and Education: A training program will be developed which will teach basic procedures. The appraisal company will provide on the job training to new employees and on a continuing basis to existing employees. Additionally, appraisers must attend IAAO and Assessment Coordination Department courses necessary for attaining and maintaining levels of professional accreditation.

8. Employee Accreditation: Employees will be accredited in the Training and Designation Program provided by the Assessment Coordination Department.

9. Newly Discovered and New Constructed Property: The contractor will be responsible for the appraisal of new construction and newly discovered property. The contractor shall maintain a list and dollar summation of that amount. Appraisal estimates of existing properties shall be documented in such a way that changes in value will not appear before the valuation year. New construction or newly discovered property shall be valued by considering existing methods and economic forces employed during the most recent reappraisal completion year.

BID SPECIFICATIONS FOR CONTRACTING

THE REVIEW REAPPRAISAL OF WASHINGTON COUNTY, ARKANSAS

1.0 Purpose and General Information. The purpose of the contract will be to fulfill the need to reappraise property in Washington County, Arkansas in accordance with Act 1185 of 1999, as amended, and the rules implementing that Act as prescribed by the Assessment Coordination Department (ACD). The reappraisal shall be conducted over a five-year period and shall progress in two phases commencing December 31, 2010. Phase 1 of the reappraisal project will be conducted over the first four calendar years of the five-year period. The contractor shall provide data collection and Computer Assisted Mass Appraisal (CAMA) System data entry for all real parcels during Phase 1. Phase 2 of the reappraisal project shall be during the fifth calendar year of the five-year period. The contractor shall estimate the value of all real parcels in the county, send reappraisal notices to property owners as required by Arkansas law, and defend value estimates before the county equalization board and county court during Phase 2.

2.0 The Contractor will provide the following services.

2.1 The contractor, in conjunction with the Assessor, shall develop a reappraisal plan to be submitted to the ACD. No contract shall be in force until such time as the proposed reappraisal plan is approved by the ACD.

2.2a Phase 1 – Field collection and CAMA entry of relevant data about the land, buildings and improvements of all residential properties in the County in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. For purposes of this Plan a thorough visual review of each property means the contractor will ensure that improvement characteristics are accurately accounted for and improvement measurements are maintained within one foot of actual dimensions at a 95% accuracy rate.

2.2b Phase 2 – Estimate the value of land, buildings and improvements of all residential properties in the County in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan.

2.3a Phase 1 – Field collection and CAMA entry of relevant data about the land, buildings and improvements of all commercial/industrial properties in the County in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. Individual perimeter measurements shall be made as necessary so that at least a 95% accuracy rate for data and measurements are maintained. Interior inspection of commercial/industrial improvements is required.

2.3b Phase 2 - Estimate the value of land, buildings and improvements of all commercial/industrial properties in the County in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan.

2.4a Phase 1 – Field collection and CAMA entry of relevant data about the land, buildings and improvements of all agricultural and farm properties in the County in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. Individual perimeter measurements shall be made as necessary so that at least a 95% accuracy rate (within one foot) is maintained.

2.4b Phase 2 – Estimate the value of market value based land, buildings and improvements of all agricultural and farm properties in the county in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan.

2.5 Update all bona fide agricultural, timber, and pastureland values in the County. All land will be inspected, when possible to determine use. Aerial photographs no older than one year may be used to determine if its use has changed since the last update. Should a change in land use of any parcel be discovered, the county records will be made to reflect that change in the year of phase 2.

3.0 The following defined terms shall apply unless otherwise specifically provided herein.

3.1 “Apartment Real Property” or “Apartments”, including apartment complexes, means a class of parcels used as dwelling structures which were originally constructed with four (4) or more dwelling units therein, the structure of which is primarily non-resident owned.

3.2 “Commercial Real Property” or “Commercial Property” means a class of property consisting of parcels used for business or commercial purposes, including, but not limited to, stores, service centers, restaurants, and other structures designed or used for commercial purposes. Commercial real property includes:

A. All land, buildings, and other structures thereon, used or usable for commercial purposes.

B. Special purpose buildings, not classified as industrial buildings, shall be included in the appraisal of commercial property.

C. Vacant lots or other parcels of real estate in areas used for commercial purposes, or in predominantly commercial areas, or which are used in connection with commercial enterprises, or which are primarily suited for commercial developments shall be classified as commercial property except where there is another actual bona fide use in place which should be valued under that use as provided by law.

3.3 “Industrial Real Property” or “Industrial” means a class of property consisting of parcels used for industrial production or service, including plants, shops, processing establishments, and other structures designed or used for industrial purposes.

3.4 “Residential Real Property” or “Residential Property” means a class of property consisting of parcels used for residential purposes as dwellings, including houses, condominiums, and other structures designed or used for residential or dwelling purposes. The term “residential real property” additionally means all lots, parcels or tracts of land, and all dwelling houses located in the County, which are not herein defined as apartments or commercial real property.

3.5 “Agricultural Land” is land employed to generate income from growing crops, timber, or livestock or livestock feed. See ACD Rule 3.51.

3.6 “Rural Improvements” are improvements, including residential improvements, to land other than residential, rurban, or commercial land.

3.7 “Rurban Properties” are lands and/or improvements situated in platted subdivisions outside of city limits.

3.8 “Market Value” is defined by the International Association of Assessing Officers as “the most probable price, expressed in terms of money, that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.”

3.9 “Data Collection” means the process of gathering or confirming existing information about the physical characteristics of a property by inspection at its location.

3.10 “To Value” means to employ the information gathered from a physical inspection of property and from market research to estimate the market value of property as of the appropriate property tax lien date.

3.11 “Reappraisal” means the estimating of the value of all taxable real property within the county as of a given date within a given time frame.

3.12 Parcel” - For the purpose of these rules a parcel of real estate is defined a as:

a. For rural property and unplatted city acreage, all contiguous land including improvements under the same ownership lying within a designated section or land grant and within the same taxing unit and constituting an economic unit.

b. For all other city property and for rurban property, all contiguous land including improvements under the same ownership lying within a platted subdivision and within the same taxing unit and constituting an economic unit.

When a portion of real estate meeting the above criteria is separately encumbered, meaning that it has a mortgage lien or other legal claim or right attached to the property,) the portion so encumbered may constitute a separate parcel. Documentation of the reason for not combining must be included in the record of each affected parcel.

For both (a) and (b) above, land separated by water or a public or private road, railroad, power line or other right of way remains contiguous.

Improvement only properties are considered separate parcels when ownership is different from the land on which the improvements are situated.

Ownership of a parcel by multiple persons or entities does not constitute multiple parcels.

Control cards, information cards, and mineral rights parcels are not to be counted as parcels when applying Act 1185 of 1999.

3.13 "Neighborhood" is a portion of a larger community, or an entire community, in which there is a homogeneous grouping of inhabitants, buildings, or business enterprises. It is that area within which any change has immediate and direct influence on the value of the subject property. Neighborhood delineation shall be in accordance with ACD Rules implementing Act 1185 of 1999, as amended.

3.14 "Thorough Visual Review" means the contractor will ensure that improvement characteristics are accurately accounted for and improvement measurements are maintained within one foot of actual dimensions at a 95% accuracy rate.

4.0 Base Services.

4.1 Contractor shall reappraise each parcel of real property in Washington County, in a sequence specified by the Reappraisal Plan as approved by ACD and in the manner prescribed by ACD Rules implementing Act 1185 of 1999, as amended.

4.2 The county ~~WILL~~ or WILL NOT (circle one) provide office space. A contractor that employs off site data entry shall ensure that new construction and newly discovered parcels are accurately reflected in the Assessor's office. The contractor will provide a computer terminal in the assessor's office where updated parcel data, including value changes, will be stored and accessible by the assessor and ACD employees. At no time shall the information stored in the assessor's office be more than thirty (30) days out of date compared to the information maintained at the off site data entry point.

4.3 Fifty percent (50%) of the parcel values of real property shall be completed by April 19 of the valuation year, and values of all parcels made available for placement in the assessment rolls by July 1 of the Phase 2 year

4.4 For purposes of estimating property values, the Contractor shall employ a CAMA System which shall be based upon ACD approved cost manuals, adjusted for locational differences and other appropriate valuation models, which will estimate property market values.

4.5 Contractor shall be responsible for sending notices of value changes to property owners. The notices shall comply with Act 572 of 1999 and shall be sent no later than ten (10) business days after July 1 of the valuation year. The notice form shall be that found in the ACD rules or an alternative form approved, in writing, by the ACD.

4.6 Contractor shall defend property value estimates beginning with informal appeals commencing after the mailing of notices of value change and continuing through county court hearings with ample number of qualified staff available. Defense of property value estimates at the Circuit Court level shall be separately billed and shall be negotiated by the contractor and the county.

4.7 All county records removed from the courthouse by the Contractor shall be sufficiently insured at full replacement value. In the event that county records are lost or destroyed after being removed from the courthouse by the contractor, it shall be the contractor's responsibility to replace said records or to pay the full cost of replacement.

4.8 All records, working documents, manuals, pricing data, maps, aerial photographs, plats, and other materials shall be the property of the county and shall be considered official courthouse records at the conclusion of the project.

4.9 Contractor shall make every possible attempt to answer public inquiries on a timely basis.

4.10 Appraisal manager or senior representative of the Appraisal Company shall, upon request, give presentations to civic groups in the county. Notification of requests for presentations must be given to assessor no later than one week before any civic group presentation is made. All public relations decisions concerning the reappraisal project shall be agreed upon by the Assessor before implementation.

5.0 The following approaches will be used to estimate property values.

5.1 Cost Approach: Manuals developed by the ACD will be used for dwellings and normally associated structures. Marshall-Swift Valuation Service or other ACD approved valuation services and/or cost systems shall be used for all other properties. Contractors shall develop appropriate local market adjustment factors by analyzing fair market value sales. These sales shall be validated by at least one of the approved ACD methods, and shall be adjusted for time as needed. All sales validation coding, and confirmation sources shall be reflected in the CAMA system. For improvements not covered by the manual, the Contractor shall make a careful investigation of construction costs in the County and may reference other cost manuals.

Depreciation will be estimated by using the most applicable of the condition, age-life, and/or market abstraction techniques to properly reflect physical, functional, and economic depreciation of the subject property.

5.2 Sales Comparison Approach: Major emphasis will be placed on the sales comparison approach to value residential property and where applicable to commercial and industrial property. The Contractor shall physically delineate neighborhoods in accordance with ACD Rules implementing Act 1185 of 1999, as amended.

Sales of comparable properties will be made available on request of residential property owners, unless the subject property is so unique that no comparable sales exist.

5.3 Income Approach: Contractor will develop valuations considering the income capability on all appropriate commercial properties, as well as on multifamily residential properties. The values indicated by the income capability of the property will be correlated with those indicated by the cost and comparable sales approaches in order to determine a final estimate of property values.

6.0 Valuation of Land. Contractor shall supply services of its qualified appraisers for the valuation of land in the County for all parcels to be appraised as specified in the Proposal. All factors affecting the market value of lots and parcels (such as: location, size, and shape of parcel, topography, new developments, and other factors) shall be carefully considered in the final field inspection and review. All vacant land shall be appraised at its “typical” or “most probable use” value in money as of appropriate tax lien date. The typical use of vacant residential or commercial land shall be determined by considering the primary current use of adjacent lands.

6.1 Base lot method for market value land. In the interest of fairness, equalization, and accuracy the base lot method shall be employed to determine the valuation of all market value land. IAAO defines the base lot method as: “...the standard or “base” in each stratum through a traditional sales comparison analysis with the base lot serving as the subject parcel. Once the base lot is established, it is used as a benchmark to establish values for individual parcels.”²

6.2 Agricultural Use Land Determination. Contractor shall properly class by property use (timber, pasture, and crop lands) and soil code all bona fide agricultural properties within the county. The determination of a property’s use shall be discovered by visual inspection whenever possible. Determination of use by aerial photograph shall be used when the subject property cannot be accessed by vehicle.

7.0 Property Record Cards. Contractor will use the standard property record card (PRC) format approved by ACD for data collection.

² Property Appraisal and Assessment Administration 1990 p. 188

8.0 Valuation Date. Estimate of value of each parcel shall be as of January 1 of the Phase 2 year, or in respect to new construction or newly discovered property as of January 1 of first year placed on the assessment roll.

9.0 Sales Information. County shall continually and concurrently provide copies of all sales information available to it with respect to transfers of parcels occurring from the beginning through the duration of the Contract. The Contractor shall verify selling prices indicated in public records and confirm physical data and other relevant information about the property as of the date of sale.

10.0 Sales Ratio Study. Contractor shall generate and supply to the County an appraisal-to-sales price ratio study in compliance with the standards provided under Act 1131 of 2001. The study shall include a list of sales considered to be valid by the Contractor, occurring during the year in which the contract commences until the completion date of the contract. The listing shall include parcel identification number, month and year of sale, property classification, selling price, appraised value of land and building, if applicable, total assessed value, ratio of appraised value to selling price, and aggregate mean and median ratios expressed as percentages.

A summary by taxing district shall include number of sales, vacant and improved, aggregate total selling price by class, average selling price, aggregate total appraised value, aggregate ratio, median ratio, coefficient of dispersion, and weighted coefficient of dispersion.

11.0 Progress Reports. Contractor shall make monthly progress reports to the County Judge, County Assessor, and ACD, and will hold meetings with the same as may be required or requested. Each monthly progress report shall indicate the type or types of work performed, the number and type by class of parcels appraised, and a summary showing the percentage of total project completion.

12.0 Newly Discovered and New Constructed Property. Contractor shall be responsible for the appraisal of new construction and newly discovered property while the contract is in force. The Contractor shall maintain a list of and dollar summation of the amount of newly constructed and discovered property. The Contractor shall, from available public records and other public sources, discover all newly constructed property and any other property which had previously escaped assessment in the county; collect data on the same; enter data into the CAMA system; value and cause that property to be placed on the assessment roll during the current year. The Contractor shall comply with Act 572 of 1999 in respect to property owner notification and hearings.

12.1 Newly Discovered and New Construction Administration. Appraisal estimates of existing properties shall be documented in such a way that changes in value will not appear before the valuation year. New construction or newly discovered property shall be valued by considering existing methods and economic forces employed during the most recent reappraisal completion year.

13.0 Quality Control. Contractor shall implement a proven system of quality control for all major phases of the revaluation program. All work performed shall comply with requirements and standards established and promulgated by the ACD and the

appropriate Standards promulgated by the International Association of Assessing Officers and adopted by ACD.

13.1 Off Site Data Entry. Contractors maintaining CAMA data off site from the assessor's office will employ a system of compare routines that insure the Assessor and the contractor match data regarding owner name, sales data, billing addresses, and current year valuation amounts.

13.2 New Construction, Newly Discovered Entry. Projects that employ off site entry shall take special care to see that the new construction and newly discovered parcels are accurately reflected in the Assessor's office.

14.0 Data Entry. Data entry is the responsibility of the contractor.

15.0 Qualifications of Contractor.

15.1 Contractor shall submit to the county and ACD a statement of qualifications of all employees who will be involved in the reappraisal project. The qualifications shall meet those established in ACD Rules implementing Act 1185 of 1999, as amended.

15.2 The county, upon written notice to the Contractor's Reappraisal Manager, or the principle of the company, may request the removal of any person or persons that the county considers to be incompetent or negligent in the performance of their duties, or who shall be deemed to be guilty of misconduct. Such written notice shall state in detail the basis for the request with justification indicating the facts of the request, and when at the request of the county shall be signed by the county assessor.

15.3 Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin and will take affirmative action to insure that applicants are employed and are treated during employment, without regard to race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the county setting forth the provisions of the nondiscrimination clause. Contractor will, in all solicitations or advertisements for employees placed by or in behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

16.0 Conflict of Interest. Contractor shall not contract with or employ a county official or immediate relative of a county official in connection with the revaluation project. This provision does not bar county employees from resigning their positions with the county and subsequently becoming employees of the contractor

17.0 Relationship of Parties. The relationship of the contractor to the county shall be that of an independent contractor, and no principal-agent or employer-employee

relationship will be created by the agreement. The contractor shall not subcontract any work under contract without written approval of the county and the Director of the Assessment Coordination Department.

18.0 Subletting and Assigning Contract. Contractor shall not assign or transfer the contract or any interest without first receiving written approval from the county and the Director of the Assessment Coordination Department.

19.0 Change in Contract. Changes in the contract shall be permitted only upon written mutual agreement of the Contractor, the county, and the Director of the Assessment Coordination Department.

20.0 Standards. In performing any obligation provided for this specification, the Contractor agrees to comply with any and all rules, regulations, and standards of the Assessment Coordination Department. Changes to or deviation from the specifications contained herein must be submitted to and approved by the Director of the Assessment Coordination Department, prior to implementation of those changes or deviations.

21.0 Surety and Insurance. Contractor shall carry public liability and workman's compensation insurance which shall save harmless the county from claims, demands, and causes of action arising from any act of commission or omission of the Contractor, its agent or employees, in the execution of their work under the terms of this agreement, including claims relating to labor and materials furnished.

22.0 Force Majeure. If, because of force majeure, any party hereto is rendered unable, wholly or in part, to carry out its obligations under the contract, then such party shall give to the other party prompt written notice of the force majeure with reasonably full details concerning it. Thereupon, the obligation of the party giving the notice, so far as they are affected by the force majeure, shall be suspended during, but not longer than, the continuance of the force majeure. The affected party shall use all possible diligence to remove the force majeure as quickly as possible, but his obligation shall not be deemed to require the settlement of any strike, lockout, or other labor difficulty, or other dispute regarding contributory payment by contributors to cost of the operation of the county contrary to the wishes of the party involved. The term "force majeure" as used herein means any act of God, strike, lockout, or other industrial disturbance, act of a federal, state, or local legislature, act of a public enemy, war, blockade, public riot, lighting, fire, storm, flood, explosion, governmental restraint, unavailability of equipment, gasoline rationing, and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the party claiming suspension.

23.0 Laws to Govern. Contract shall be governed by the laws of the State of Arkansas, as both to interpretation and performance. The contractor shall conduct operations under the contract in compliance with all applicable laws.

24.0 Compliance with Assessment Coordination Department Rules. Upon finding and notification by the ACD that proper reappraisal procedures are not being followed, the contractor shall bring the reappraisal into compliance within the legally established thirty (30) day period. The return to proper procedure must include implementation of the corresponding ACD Compliance Verification Form (Form A-17). Should the

contractor not bring the reappraisal into compliance within that time frame, the contract will be terminated.

25.0 Indemnity. The contractor will defend, save harmless and exempt Washington County Government, its officers, agents, and employees from and against any and all damages, costs, expenses and attorney's fees resulting from injury to persons or damage to property suffered in connection with work done in the performance of the contract. The county reserves the right to retain counsel of its choice at its own expense or, in the alternative, approve counsel obtained by the contractor.

26.0 Cancellation. The contract can be terminated by either party upon thirty-day (30) written notice in the event of noncompliance with the terms of the contract.

27.0 Taxpayer Litigation. Any litigation against the county and/or its officials, challenging the county's authority on the timing of placing particular parcels on the tax rolls, shall in no event, affect the contract, except as such litigation is occasioned by or due to contractor's noncompliance with the contract.

28.0 Payment. Payment by the county to the contractor shall be made monthly based on (Choose one: "equal payments over the term of the contract" or "production level"). Payments are subject to the "hold back" provisions of ACD Rule 3.17. The last four (4) payments of the contract amount will be held back until such time as the reappraisal is deemed completed by the ACD.

29. Late Charge. Contractor will complete the work within the time frame specified in ACD Rules implementing Act 1185 of 1999, as amended. If the contractor fails to complete the work within the time specified, the contractor shall pay the county, as liquidated damages, and not in the nature of a penalty, the sum of \$500.00 for each day delayed, (Saturdays, Sundays, and official state holidays excluded) which shall be deducted from the final amount to be paid under the contract. The County Judge reserves the right to relieve the Contractor of said late charge.

30. Checklist for Services to Be Provided. The following checklist must be submitted as part of the bid specifications:

1. Contractor Required Services

- Finished Property Record Cards
- Sectionalized Aerial photos (If county does not already have most current) (Sectionalized is defined as – The process of drawing and/or displaying linear representations of Section, Township and Range lines on aerial photography and labeling same.)
- Real estate appraisal
- Field data collection
- CAMA system data entry
- Agricultural, timber & pasture land value update
- Appraisal notice mailing
- Value estimate defense
- Public inquiries about property values (informal appeals)
- Property sales verification
- Sales ratio study (compliance with 10.0 of the bid Specifications)
- Progress reports to county officials and ACD
- Discovery of new construction from public records and sources
- Valuation of newly discovered property in the current assessment year
- Property addresses where reasonably attainable
- Most recent ACD soil summary
- Quality Control (compliance with 13.0 of the Bid Specifications)
- Liability and workman’s compensation insurance (compliance with 21.0 of the Bid Specifications)
- Reappraisal Planned Progress submitted to ACD
- Office space
- Office furnishings
- CAMA Computer software maintenance

2. County Required Services

- Sales information (compliance with 9.0 of the Bid Specifications)
- Ownership records
- Combine parcels in accordance with Act 2090, 2005.

3. Additional Services to be provided by:	Contractor	County
Reappraisal plan submitted to ACD	_____X_____	_____
Office Space	_____X_____	_____
Office furnishings	_____X_____	_____
Digital photography	_____	_____
Computer hardware	_____	_____
Computer software maintenance	_____	_____
CAMA Reappraisal	_____	_____

PLANNED PROGRESS REPORT

As a part of this plan, the Contractor will submit a Planned Progress Report, which will list anticipated progress of the reappraisal by month. The form and specific requirements for this report will be prescribed by the ACD.

MONTHLY PROGRESS REPORTS

The Contractor agrees to provide a monthly progress report to the ACD detailing work completed that month. The form and specific requirements for this report will be prescribed by the ACD.

REQUISITE SIGNATORIES

The county acknowledges that under A.C.A. 26-26-307, the County must file a reappraisal Plan with the Assessment Coordination Department. No one county official has been charged with that responsibility under the law. The parties hereto recognize that the filing of an acceptable Plan and the implementation of that Plan is the joint responsibility of the County Officials, and the success or failure of the Plan is dependent on the cooperation and effort of the County Officials, the Municipal Officials and School Superintendents and that each person whose signature appears on this Plan has fully read and understands its terms and the commitment of the County, the cities, and the schools and their resources to the successful implementation of this Plan. Further, the County Officials and others signing this document agree to assist in its implementation within the parameters of their official positions.

To qualify a Contracted Plan for consideration, it must at a minimum be signed by the County Assessor, County Judge, and Principal of the Appraisal Firm, and the reappraisal manager, unless a waiver of the requirement is obtained from the Director of the ACD for good cause shown. Signatures of the county's Board of Equalization, Quorum Court, and school district Superintendents are also requested. In the event one of the aforementioned does not sign the Plan, the Assessor must certify that the member(s) received a copy of the Plan.

Signature pages follow.

SIGNATURE PAGE: COUNTY ASSESSOR

(County Assessor signs here)

Signature

(Print name)

SIGNATURE PAGE: COUNTY JUDGE

(County Judge signs here)

Signature

(Print name)

SIGNATURE PAGE: APPRAISAL FIRM

Company Name

Company Principle Signature

(Print name)

SIGNATURE PAGE: COUNTY BOARD OF EQUALIZATION

(Board of Equalization Members sign here)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

SIGNATURE PAGE: COUNTY QUORUM COURT MEMBERS

(Quorum Court Members sign here)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

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(Print Name)

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(Print Name)

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(Print Name)

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(Print Name)

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(Print Name)

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(Print Name)

Signature

(Print Name)

Signature

(Print Name)

SIGNATURE PAGE: COUNTY SCHOOL SUPERINTENDENTS

(School Superintendents sign here)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

Signature

(Print Name)

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(Print Name)

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(Print Name)

Signature

(Print Name)

I, _____, _____ County assessor, hereby acknowledge that copies of the above Reappraisal Plan and Bid Specifications have been provided to the _____ County Equalization Board, _____ County Quorum Court, the affected School District Superintendents in _____ County and the Mayors of the affected cities in _____ County. Additionally, copies of the Plan and Bid Specifications have been sent to each registered reappraisal company in Arkansas, and each has been requested to bid upon the project described above.

Signature

County Assessor

Upon acceptance of a proposal by a reappraisal company, the following signatures shall be added to the Plan. The Appraisal Manager signing below is not obligated in a fiduciary fashion beyond his or her obligation to his or her employer and will not be held personally financially liable for the contract by signing below. By signing below the Appraisal Manager acknowledges a professional obligation to complete the reappraisal of _____ County in accordance with state law and the Code of Professional Conduct ascribed by the International Association of Assessing Officers. Failure by the Reappraisal Manager to fulfill the obligations, either by commission or omission, under state law or IAAO Code of Professional Conduct will lead to possible suspension or termination of the Reappraisal Manager's designation in accordance with the ACD Training Program rules, or other sanctions the ACD may find suitable.

Reappraisal Manager Signature

(Print name)

ADDENDUM

The purpose of the following addendum is to customize the Arkansas Assessment Coordination Department's standard Five Year Review Reappraisal Plan to meet the needs of Washington County. Any item which has been customized has been reiterated in this addendum for clarity. Deletions are noted in strikethrough, and additions are noted in underline.

CONTRACTED COUNTYWIDE REVIEW REAPPRAISAL 5 YEAR PLAN

The Appraisal Company agrees to abide by the International Association of Assessing Officers (IAAO) Standards. The Company is aware that its failure to abide by all terms of the contract with the County, including a failure to abide by the foregoing standards, shall be sufficient cause to allow the ACD to withhold approval of any future contracts until the Appraisal Company has fully complied with its past contractual obligations.

Contracted Reappraisal Plan requires that the Appraisal Company performs the following:

1. Contractor shall physically inspect and estimate the value of 93,315 real estate parcels, and the data shall be entered into the County's CAMA system. This number represents the ACD's taxable parcel count. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. For purposes of this Plan a thorough visual review of each property means the contractor will ensure that improvement characteristics are accurately accounted for and improvement measurements are maintained within one foot of actual dimensions at a 95% accuracy rate.

BASIC STANDARDS & PROCEDURES TO BE FOLLOWED WHEN CONDUCTING A COUNTYWIDE REAPPRAISAL

2. Valuation Methodology: The first phase of the valuation component will be data collection and analysis. The physical data and an analysis of all market/economic data, will render an appraised value calculated by CAMA, or for special purpose or unique properties by support staff, for each property. All three approaches (sales comparison, cost and income) will be used, depending upon the applicability of the approaches to specific properties or classes of property. The final valuation will be carefully reviewed and field checked for any changes that have occurred to properties since the time of the last field inspection.

On completion of the valuation process, the Appraisal Company will be responsible for a careful review of the estimates for each appraised parcel. The review and inspection shall be conducted by members of the appraisal staff, and is intended to identify any errors that may have occurred, to ensure accuracy and quality of data collected. The Appraisal Company shall consider the indicated value of the structure and indicated value of the land against sales information concerning comparable parcels. The reviewer is to ensure that each property has been valued in relation to other properties and in accordance with state law. Fifty percent (50%) of parcels will be completed immediately before April 19 of the valuation year and the remainder before the change of value notification deadline.

(A) Appraisal of Land: A separate estimate of fair market value shall be made for each parcel of non-agricultural land as if it were vacant. The sales data covering fair market sales of vacant non-agricultural land in all property classifications shall be secured from all available sources and shall be compiled, checked, and analyzed for use in the determination of non-agricultural land values and their units of comparison throughout the county. In the interest of fairness, equalization, and accuracy the base lot method shall be employed to determine the valuation of all market value land. IAAO defines the base lot method as: "...the standard or "base" in each stratum through a traditional sales comparison analysis with the base lot serving as the subject parcel. Once the base lot is established, it is used as a benchmark to establish values for individual parcels."¹

The Appraisal Company shall carefully consider all factors affecting the value of land (such as zoning, location, shape, size, topography, access to railroads, roads, waterways, present use, etc.) and will make appropriate adjustments when establishing final values.

To the extent practical, land value computations shall be made in accordance with four categories, as follows:

- City and Rurban Residential - front foot, square foot, or lot values
- Rural residential - per acre or lot values
- Commercial - front foot or square foot values
- Industrial - square foot or acreage values

¹ Property Appraisal and Assessment Administration 1990 p. 188

All established base land values for vacant and improved parcels shall be recorded on the appropriate fields of the record card and in the CAMA system and carefully checked for accuracy. All land values shall be reviewed with the same accuracy and diligence as the buildings in conjunction therewith.

(B) Improved property: In arriving at the value of each parcel of improved property, the Appraisal Company will consider all three approaches to value where applicable. The Company shall make a careful analysis of the replacement cost of newly constructed buildings by using the 1995 edition of the Arkansas Assessors Real Estate Manual or a cost manual otherwise approved by the Assessment Coordination Department. Local sales data will be used to arrive at appropriate local market adjustment factors required to calibrate the cost system. The contractor shall develop appropriate local market adjustment factors by analyzing fair market value sales. These sales shall be validated by at least one of the approved ACD methods, and shall be adjusted for time as needed. All sales validation coding shall be reflected in the CAMA system. The Appraisal Company will employ the age-life method of depreciation using the observed condition of the property and total life expectancies based on state standards.

(1) Residential Property: The Appraisal Company shall inspect the exterior of each structure. Interior data shall be obtained through personal interviews when possible. Construction features, characteristics, appendages, accessory buildings or irregularities for each property shall be recorded on the data collection card and in the CAMA system. Grade classification shall be distinctly considered and state appraisal guidelines followed for each building. Periodic inspections of work of all appraisal personnel shall be made by the project supervisor in the grading (or classifying) of dwellings to insure correct, uniform, and consistent grade classification use.

A perimeter sketch of each residential building will be drawn in the graph on the data collection card and all necessary dimensions and identification symbols shall be placed on this sketch. Appendages such as attached garages, porches, etc. shall be carefully shown with dimensions and labeled accordingly. All other information on the data collection card will be filled out completely and entered into the CAMA system.

On site inspection of any structure constructed prior to 1995, or of unknown construction date, is required. (See definition 3.15 in Bid Specifications.)

(2) Multi-family Income Producing Property: All income producing multifamily residential properties shall be inspected and appraised at market value. All building features, components, or characteristics as outlined shall be identified, measured and listed. The year of construction of the building shall be obtained. Other improvements such as paved drives, fencing, pools, patios, tennis courts, etc. shall be identified, measured and listed. Occupancy units of each building shall be determined at the time of inspection and recorded along with any other pertinent information that could affect value or be used as the basis for units of comparison. Rental data shall be extracted from reliable sources. The income approach, cost approach, and sales comparison approach will be considered in arriving at the final property value, when sufficient data is available. The

appraised value of all properties shall be reviewed during final review by supervisory personnel and adjustments or corrections made where applicable.

On site inspection of all structures is required. (See definition 3.15 in Bid Specifications.)

(3) Commercial/Industrial Property: All commercial/industrial properties will be inspected and appraised at market value. All building features, components, or characteristics as outlined will be identified and listed. The year of the building construction will be obtained. Other improvements such as paved drives, fencing, mechanical features, equipment, etc. shall be identified, measured and listed. Occupancy of each building will be determined at the time of inspection and recorded along with other pertinent information that could affect value. Lease or rental information shall be extracted from reliable sources. The income approach, cost approach, and sales comparison approach will be considered in arriving at the final property value, when sufficient data is available. The appraisal of all commercial property will be supported by detailed computations.

On site inspection of all structures is required. (See definition 3.15 in Bid Specifications.)

(4) Rural Property: All improvements on agricultural properties will be inspected and appraised at market value. Dwellings and improvements will be described and valued in the same manner as residential property. The object is to establish a fair, equitable, and realistic value by comparing properties with other like properties, and to maintain the same level of market values placed on all other classes of property within the taxing jurisdiction.

On site inspection of any structure constructed prior to 1995, or of unknown construction date, is required. (See definition 3.15 in Bid Specifications.)

The use value of all bona fide agricultural land will be calculated using the most recent (valuation year) per acre estimates furnished by the ACD. The acreage of each soil type will be calculated and its use determined by physical inspection or recent aerial photographs. The determination of a property's use shall be discovered by visual inspection whenever possible. Determination of use by aerial photograph shall be used as last resort only when the subject property cannot be accessed by vehicle or if the photography is less than one year old.

3. Notification and Hearings: A change of value report will be generated by July 1 of the valuation year. Notices will then be mailed to all property owners ~~having an increase in valuation,~~ no later than ten working days after July 1 of the valuation year. These notices will show the appraised value, classification(s) of the parcel, assessed value, and a statement that the property owner has a right to appeal to the equalization board, including the dates when the equalization board shall meet, and other requirements of Act 572 of 1999. The notice form shall be that found in the ACD rules or an alternative form approved by the ACD. ACD approval shall be in writing.

The taxpayer shall be given the opportunity to informally appeal the new assessed value. A taxpayer may file a complaint even if the valuation of property has not increased or has

decreased from the previous year. The taxpayer must petition to appear before the equalization board by the third Monday in August, after which no petition for appeal shall be accepted.

The Company should project that 2% to 12% of all property owners will request a review of their appraisals, with the reported national average being 5%.

6. Sales Questionnaire and Sales Data Collection Process: The Appraisal Company will develop a comprehensive data collection program using the sales questionnaire. The County will be responsible for printing and mailing sales questionnaires to all new property owners in the county each year along with the homestead application. All returned questionnaires will be provided to the Contractor by the County upon receipt. This data and other data shall be included from sources such as:

- (A) Buyers of Real Estate
- (B) Sellers of Real Estate
- (C) Real Estate Brokers
- (D) Mortgage Companies
- (E) Builders
- (F) Real Estate Sales Listings (e.g. multiple listing services).
- (G) ACD Sales Verification Form

The sales questionnaire phase will be on going throughout the cycle. In the field, a detailed interview will be conducted (when possible) with the resident in lieu of an interior inspection of each home. When data is in doubt a postage-paid questionnaire will be left on the door if no one is at home and the data collector has left the neighborhood.

Since the data collection will occur over an extended period and property characteristics may change during that period, a sales data maintenance program shall be established.

BID SPECIFICATIONS FOR CONTRACTING

THE REVIEW REAPPRAISAL OF WASHINGTON COUNTY, ARKANSAS

1.0 Purpose and General Information. The purpose of the contract will be to fulfill the need to reappraise property in Washington County, Arkansas in accordance with Act 1185 of 1999, as amended, and the rules implementing that Act as prescribed by the Assessment Coordination Department (ACD). The reappraisal shall be conducted over a five-year period and shall progress in two phases commencing in ~~_____~~ December 31, 2010. Phase 1 of the reappraisal project will be conducted over the first four calendar years of the five-year period. The contractor shall provide data collection and Computer Assisted Mass Appraisal (CAMA) System data entry for all taxable real estate parcels during Phase 1. Phase 2 of the reappraisal project shall be during the fifth calendar year of the five-year period. The contractor shall estimate the value of all taxable real estate parcels in the county, send reappraisal notices to all property owners as required by Arkansas law, and defend value estimates before the county equalization board and county court during Phase 2.

2.0 The Contractor will provide the following services.

2.2a Phase 1 – Field collection and CAMA entry of relevant data about the land, buildings and improvements of all residential properties in the County in accordance with ACD Rules implementing Act 1185 of 1999 and ACD approved reappraisal plan. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. For purposes of this Plan a thorough visual review of each property means the contractor will ensure that improvement characteristics are accurately accounted for and improvement measurements are maintained within one foot of actual dimensions at a 95% accuracy rate.

2.2b Phase 2 – Estimate the value of land, buildings and improvements of all residential properties in the County in accordance with ACD Rules implementing Act 1185 of 1999 and ACD approved reappraisal plan.

2.3a Phase 1 – Field collection and CAMA entry of relevant data about the land, buildings and improvements of all commercial/industrial properties in the County in accordance with ACD Rules implementing Act 1185 of 1999 and ACD approved reappraisal plan. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. Individual perimeter measurements shall be made as necessary so that at least a 95% accuracy rate for data and measurements are maintained. Interior inspection of commercial/industrial improvements is required.

2.3b Phase 2 - Estimate the value of land, buildings and improvements of all commercial/industrial properties in the County in accordance with ACD Rules implementing Act 1185 of 1999 and ACD approved reappraisal plan.

2.4a Phase 1 – Field collection and CAMA entry of relevant data about the land, buildings and improvements of all agricultural and farm properties in the County in accordance with ACD Rules implementing Act 1185 of 1999 and ACD approved reappraisal plan. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. Individual perimeter measurements shall be made as necessary so that at least a 95% accuracy rate (within one foot) is maintained.

2.4b Phase 2 – Estimate the value of market value based land, buildings and improvements of all agricultural and farm properties in the county in accordance with ACD Rules implementing Act 1185 of 1999 and ACD approved reappraisal plan.

3.0 The following defined terms shall apply unless otherwise specifically provided herein.

3.15 “On Site Inspection” means the contractor will ensure that an appraiser has physically walked completely around the main structure and verified the physical characteristics of the improvement.

4.0 Base Services.

4.1 Contractor shall reappraise each parcel of real property in Washington County, in a sequence specified by the Reappraisal Plan as approved by ACD and in the manner prescribed by ACD Rules implementing Act 1185 of 1999, as amended.

4.2 The county ~~WILL or WILL NOT (circle one)~~ will not provide office space. A contractor that employs off site data entry shall ensure that new construction and newly discovered parcels are accurately reflected in the Assessor’s office. The contractor will provide ~~a computer terminal in the assessor’s office where updated parcel data, including value changes, will be stored and accessible by the assessor and ACD employees. At no time shall the information stored in the assessor’s office be more than thirty (30) days out of date compared to the information maintained at the off site data entry point.~~ access from within the assessor’s office to all data maintained by the contractor in their CAMA system for the Washington County project.

4.3 Fifty percent (50%) of the parcel values of real property shall be completed by April 19 of the valuation year, and values of all parcels made available for placement in the assessment rolls by July 1 of the Phase 2 year

4.3a The Contractor shall estimate the current market value of the following:

- a. Taxable Real Property - Vacant Lots and Improvements
- b. Mobile Homes assessed as Real Estate
- c. Buildings on Leased Land

The physical characteristics of the property shall reflect the status of the property as it existed on the date of inspection by the Contractor with reasonable accommodation for the lien date of January 1 of the appraisal year. The appraisal of partially completed improvements shall be done in accordance with Arkansas statutes which is the current practice of the Washington County Assessor and Board of Equalization. The County shall provide completion status

information for all known newly constructed structures. This status shall be determined by at least a Senior Appraiser (Level 4). The status information shall be entered into the CAMA system no later than February 15 of the valuation year. The Contractor shall submit a detailed analysis of the proposed value changes to the Assessor prior to the finalization of the valuation process. This report will provide the Assessor an impact analysis of the completed work.

4.3b The Contractor will not be responsible for the listing nor the valuation of any property exempt under the Arkansas Constitution or currently being valued by the Arkansas Public Service Commission. For these purposes exempt properties include, but are not limited to, church property, school properties, cemeteries, libraries, Act 9 Bond industries, and government properties, and any other properties designated on the Washington County tax rolls as exempt. The contractor will be responsible for listing and valuation of parcels certified to the State for delinquent taxes. The Contractor shall not be responsible for the valuation of any mineral parcels.

4.3c The soil codes and/or soil groups utilized in the valuation of the Agricultural and/or Use Value Lands will be based upon the most current certified digital soils available at project commencement.

The Contractor shall properly class by property use (timber, pasture & crop lands) and soil code all of the bona fide agricultural properties within the County that have changed use since the completion of Washington County's 2010 reappraisal project.

The Contractor will be responsible for correcting any possible discrepancies in either the soil code groupings and/or the agricultural land rates that may previously have been misapplied.

The Contractor will utilize the most current Washington County Land Values as provided to the County Assessor by the ACD for the valuation year as the basis for the valuation of all Agricultural and/or Use Value Lands within the entire County.

4.3d Washington County shall provide and the Contractor shall utilize the most recent Washington County aerial imagery (refer to paragraph 2.5 contained herein).

4.3e The County shall provide to the Contractor, in an electronic format, the current real property records as of the commencement date of this agreement. The Contractor shall utilize this real property information as the correct and official records of the Washington County Assessor's Office. The Contractor shall use these current land records to locate property and to determine ownership. In the event that acreage is found with no record of ownership, or the apparent duplication of ownership, the Contractor will report the discrepancy to the Assessor. It is the responsibility of the County and not the Contractor to abstract and correct these findings.

4.3f The Contractor shall follow the parcel numbering format currently in use by Washington County. The County shall be responsible for providing to the Contractor any new parcel number created as a result of deed change, etc. for the duration of this project. The Contractor shall not create new parcels. In the case of discovery of a new "building only" parcel, the Contractor shall report such discovery to the Assessor's office immediately. The Contractor shall not change ownership information, legal description information, or the exemption status of any parcel. It is not the responsibility of the Contractor to combine parcels into a contiguous ownership.

4.3g Consistent file maintenance of the CAMA system in the offices of the Contractor and the County is of primary importance during the term of this project. The County shall provide all CAMA data and GIS data to the Contractor on a monthly basis. The Contractor shall be responsible for periodically obtaining updated information from the County regarding any new ownership records, name changes, legal description amendments, land size changes, parcel numbers, etc. for the duration of this project. The Contractor shall provide a file update to the County, monthly, which will provide all new appraisal information generated since the last update. The Contractor shall devise a plan which is acceptable to the County for these updates which includes provisions for locating and correcting data synchronization errors. All data generated by the contractor under this agreement will be the property of the County.

4.3h The Contractor is to develop a Project Work Plan, approved by the County, whereas the company will “review” a specific area of the county during each of the years comprising this Agreement. The Contractor will begin the reappraisal project by “reviewing properties” within the specifically defined area indicated in the Project Work Plan, begin the preliminary analysis of sales data and perform other tasks necessary to update the existing values on all properties in the County as of January 1, 2015.

For the purposes of this Agreement, it is clearly understood by both parties that the term “review properties” does not mean, in this context, to re-measure all existing structures. To “review properties” for these appraisal purposes is defined as a visual review or observation of each property to determine the accuracy of the physical characteristics and the other information residing in the Assessor’s existing database. During the review process, the Contract appraisers will confirm the existing information, e.g., grade, age, remaining economic life, site characteristics, size, etc. and, when necessary, amend the data to reflect the current status of the property. Individual perimeter measurements shall be made as necessary so that at least a 95% accuracy rate (within one foot) is maintained. Newly constructed and/or discovered properties and any obvious errors noted by the Contractor’s appraisal staff will require an on-site inspection of the property.

During the Contractor’s reappraisal process, or as a result of the ACD periodic audits, the Contractor shall be responsible for conducting on-site physical inspections for the purpose of correcting any possible listing errors made during the County’s previous reappraisal.

4.4 For purposes of estimating property values, the Contractor shall employ a CAMA System which shall be based upon ACD approved cost manuals, adjusted for locational differences and other appropriate valuation models, which will estimate property market values.

During all phases of this reappraisal project the Contractor shall employ the same CAMA system, or a newer version of it, being used by the County. Contractor must have knowledge and experience of the same CAMA system as employed by Washington County. The Contractor shall demonstrate expertise and experience in the use and administration of the CAMA system currently being used by Washington County to the satisfaction of the County. Administration of the CAMA system shall include, but is not limited to, adding, deleting and managing users, managing changes necessary for data entry, maintenance and repair of new or existing data, running queries, troubleshooting problems pertaining to data entry and valuation, and contacting software and network support when necessary. The assessor shall be notified when these problems occur. If the Contractor does not meet these

specifications, he shall present evidence which demonstrates that he has the ability to learn to use and administer the County's chosen CAMA system prior to project commencement.

The Contractor shall be responsible for providing for their own computer hardware, CAMA software license and all software support and maintenance services within their respective offices.

4.5 Contractor shall be responsible for sending notices of value changes to property owners. The notices shall comply with Act 572 of 1999 and shall be sent no later than ten (10) business days after July 1 of the valuation year. The notice form shall be that found in the ACD rules or an alternative form approved, in writing, by the ACD.

The Notices of Change in Assessment letters shall be developed by the Contractor and approved by the Washington County Assessor, Board of Equalization and the ACD. In addition to the notices containing all information required by Act 572 the amount of acreage contained on a particular parcel and/or the lot and block information shall be printed on the notice, when possible. It shall be the responsibility of the County to provide to the Contractor the per parcel acreage amount.

Notices of Change in Assessment shall be printed and mailed annually on new construction and newly discovered property, and to every property owner as a part of Phase II of the project. The Notice of Change in Assessment letters shall be printed and mailed at the expense of the Contractor.

In the event that Notices are returned due to incorrect names or addresses then it shall be the responsibility of the County to immediately correct the deficiency and mail the amended Notice at the expense of the County.

4.6 Contractor shall defend property value estimates beginning with informal appeals commencing after the mailing of notices of value change and continuing through county court hearings with ample number of qualified staff available. Defense of property value estimates at the Circuit Court level shall be separately billed and shall be negotiated by the contractor and the county.

For the benefit of the taxpayer, the Contractor shall conduct an "informal hearing" process from the date that the Notice of the Change in Assessments are mailed until the third Monday in August. The informal hearings shall be managed by an employee of the Contractor with at least a Senior Appraiser (Level 4) designation. This procedure allows the property owner an opportunity to contact the appraisers by phone and/or in person, with questions regarding the appraisal of their property.

During the informal hearing process the Contractor shall provide for an adequate number of telephone lines and qualified personnel to effectively and efficiently respond to taxpayer inquiries following the mailing of the Notice Of Change in Assessment letters. Qualified staff of the Contractor shall be available and prepared to answer these inquiries in a timely and professional manner.

The Contractor shall develop a plan, approved by the Washington County Board of Equalization, to document taxpayer inquires during the informal hearing process. This

plan will provide for a written report, by parcel number, supporting any valuation changes made or recommended by the Contractor's appraisal staff. At a minimum, the plan shall provide documentation indicating the parcel number affected, date of the call, name of the caller, name of the appraiser recommending a value adjustment, the before and after values for the parcel, the reason(s) for any change made or recommended and any other relative information.

It shall be the responsibility of the Contractor to print and mail an amended Notice of Change in Assessment letter to the taxpayer.

The Contractor shall provide a qualified representative of at least a Senior Appraiser (Level 4) to be in attendance at all Board of Equalization Hearings to support and defend the property valuations developed by the Contractor.

The Contractor shall provide a qualified representative of at least a Senior Appraiser (Level 4) to appear as an expert witness in the event that values are challenged in the court system. As a condition of this Agreement the Contractor shall provide said expert, at no additional cost, for county court. Experience has shown that 25 to 30 properties will be challenged in county court in Washington County during a reappraisal year.

The Assessor's office will be responsible for the day-to-day interactions with the taxpayers for the duration of the project.

4.6a While the final decision of value to be assigned properties for tax purposes must, by law, be made by officials of the County, it is the Contractor's responsibility to advise the County as to the current estimated market value, for ad valorem tax purposes, of each of the taxable parcels.

4.6b The County and the ACD shall be responsible for the final audit and review of any and all of the Contractor's work effort. Should the County and/or ACD find any deficient work being performed by the Contractor then it shall be the responsibility of the County and/or ACD to immediately bring this deficiency to the attention of the Contractor's Appraisal Manager. After proper notification, the Contractor shall review and correct any and all deficiencies according to Act 1185 of 1999.

4.7 All county records removed from the courthouse by the Contractor shall be sufficiently insured at full replacement value. In the event that county records are lost or destroyed after being removed from the courthouse by the contractor, it shall be the contractor's responsibility to replace said records or to pay the full cost of replacement.

All existing County records, files, maps, and other information requested by the Contractor in the performance of this Contract shall be provided by the County in the format in which they are maintained. The Contractor shall be responsible for the safe keeping of all County records while in its possession.

4.8 All records, working documents, manuals, pricing data, maps, aerial photographs, plats, and other materials shall be the property of the county and shall be considered official courthouse records at the conclusion of the project. All electronic assessment data shall be delivered to the County prior to the reappraisal being considered complete and final payment being made. If the contractor chooses to utilize GIS for performance of any portion of the reappraisal, the data and the layers must be deliverable to the county assessor and the ACD for audit purposes.

4.10 Appraisal manager or senior representative of the Appraisal Company shall, upon request, give presentations to civic groups in the county. Notification of requests for presentations must be given to assessor no later than one week before any civic group presentation is made. All public relations decisions concerning the reappraisal project shall be agreed upon by the Assessor before implementation.

The Contractor and the County shall, throughout the process of the revaluation project, carry on a public relations program designed to acquaint the public with the project. The Contractor shall be available to explain the reappraisal project and methodology used to value the properties within the County.

6.2 Agricultural Use Land Determination. Contractor shall properly class by property use (timber, pasture, and crop lands) and soil code all bona fide agricultural properties within the county. The determination of a property's use shall be discovered by visual inspection whenever possible. Determination of use by aerial photograph shall be used when the subject property cannot be accessed by vehicle or when available digital aerial photography is less than one year old.

9.0 Sales Information. County shall continually and concurrently provide copies of all sales information available to it with respect to transfers of parcels occurring from the beginning through the duration of the Contract. The Contractor shall verify selling prices indicated in public records and confirm physical data and other relevant information about the property as of the date of sale.

The Assessor's staff will support the efforts of the Contractor during the reappraisal by accepting the responsibility of completing the tasks necessary with regard to the transfers and change in ownership information in an efficient, timely and responsible manner as prescribed by the ACD's rules and regulations.

10.0 Sales Ratio Study. Contractor shall generate and supply to the County an appraisal-to-sales price ratio study in compliance with the standards provided under Act 1131 of 2001. The study shall include a list of sales considered to be valid by the Contractor, occurring during the year in which the contract commences until the completion date of the contract. The listing shall include parcel identification number, month and year of sale, property classification, selling price, appraised value of land and building, if applicable, total assessed value, ratio of appraised value to selling price, and aggregate mean and median ratios expressed as percentages.

A summary by taxing district shall include number of sales, vacant and improved, aggregate total selling price by class, average selling price, aggregate total appraised value, aggregate ratio, median ratio, coefficient of dispersion, and weighted coefficient of dispersion.

Upon completion of the project, should the ACD sales ratio study on market value real estate or the ratio on bona fide agricultural properties fall outside acceptable parameters, the Contractor shall assist the County in reconciling the discrepancies between the ACD and the Contractor's ratio study.

11.0 Progress Reports. Contractor shall make monthly progress reports to the ~~County Judge, County Assessor, and~~ ACD, and will hold meetings with the same as may be required or requested. Each monthly progress report shall indicate the type or types of work performed, the number and type by class of parcels appraised, and a summary showing the percentage of total project completion.

If requested by the Assessor the Contractor shall also report to the Assessor, County Judge, Quorum Court and/or the County Board of Equalization.

12.0 Newly Discovered and New Constructed Property. Contractor shall be responsible for the appraisal of new construction and newly discovered property while the contract is in force. The Contractor shall maintain a list of and dollar summation of the amount of newly constructed and discovered property. The Contractor shall, from available public records and other public sources, discover all newly constructed property and any other property which had previously escaped assessment in the county; collect data on the same; enter data into the CAMA system; value and cause that property to be placed on the assessment roll during the current year. The Contractor shall comply with Act 572 of 1999 in respect to property owner notification and hearings.

12.1 Newly Discovered and New Construction Administration. Appraisal estimates of existing properties shall be documented in such a way that changes in value will not appear before the valuation year. New construction or newly discovered property shall be valued by considering existing methods and economic forces employed during the most recent reappraisal completion year.

12.2 The maintenance and appraisal of any new construction or newly discovered property, assessable in the years 2011 through 2015 shall be completed by the Contractor. The valuation of these newly constructed and/or discovered properties will be based upon the existing or prevailing valuation method currently being used in the County.

The Contractor shall discover all the locations, names, permits, and/or parcel numbers of the newly constructed or discovered properties requiring an appraisal. The Assessor's office

will assist in this by acquiring copies of all building/demolition permits issued by any entity in the county and acquiring notification of each new 911 address assigned by the county's Department of Emergency Management. All information available from these documents will be entered by the county into the CAMA system.

Preference shall be given to proposals utilizing electronic discovery methods. Such methods shall include but not be limited to the use of combined orthogonal and oblique angle aerial photography and change detection software which utilizes the County's geographic information systems data to identify parcels where new construction or demolition has taken place.

The physical characteristics of the property shall reflect the status of the property as it existed on the date of inspection by the Contractor with reasonable accommodation for the lien date of January 1 of the appraisal year. The appraisal of partially completed improvements shall be done in accordance with Arkansas statutes which is the current practice of the Washington County Assessor and Board of Equalization. Annually, the County shall provide completion status information for all known newly constructed structures. This status shall be determined by at least a Senior Appraiser (Level 4). The status information shall be entered into the CAMA system no later than February 15 of the valuation year.

During the term of this project the Contractor shall physically inspect, measure and estimate the market value of the newly constructed or discovered real property within Washington County. In addition the Contractor will provide support for the appraised values of these newly constructed or discovered properties during the Board of Equalization sessions and County Court appeals of 2011 through 2015.

The contractor shall collect real property data and enter this information into the County's CAMA system. To insure the equitable valuation of the newly constructed or newly discovered properties within the County it is necessary that all significant structures located on a parcel be physically reviewed (located, measured, described and reviewed for condition and accrued depreciation). During the physical review process of newly constructed or discovered properties the contractor shall:

- a) Measure each major structure located on a parcel. Exterior building dimensions will be measured to the nearest foot and sketched on the property record card.
- b) Note the interior and construction details of each building. Interior data for residential properties will be listed based on an interview with the occupant, if available, otherwise the data will be estimated. An interior inspection is required for operating commercial/industrial properties and preferred for vacant commercial/industrial properties. Property records cards shall be coded to indicate whether interior data was estimated or not.
- c) Enter on each property record card the location address and name and address of the owner if it can be determined through reasonable efforts.
- d) Business names shall be provided for all commercial improved parcels where available.
- e) Enter any other data necessary for arriving at the valuation of each lot and of each building.
- f) Enter the location address (911 address for rural property) of each improved parcel into the CAMA system.

Complete all areas of the property record card that pertain to the property being appraised.

The Contractor will be responsible for the valuation of mobile homes. The County will annually canvass each mobile home park in the county to determine ownership and physical characteristics of each home located in each park on January 1 of each year. A county appraiser with no less than a Senior Appraiser (Level 4) designation will conduct the canvass. The county will enter all information gathered into the CAMA system.

The Contractor will be responsible for the printing and mailing of the Notice of Change in Assessment letters for these "new" properties. The Contractor will also be responsible for assisting the Board of Equalization or the County Court with any taxpayer appeal regarding these properties.

The Contractor will be responsible for tracking and the accounting of any "newly constructed or discovered " property within Washington County. This procedure will allow for the calculation, by taxing jurisdiction, of the total value resulting from the "newly discovered" property. The calculation of "newly discovered" property is required if and when the rollback provisions of Amendment 59 are implemented by the taxing entities.

13.1 Off Site Data Entry. ~~Contractors maintaining CAMA data off site from the assessor's office will employ a system of compare routines that insure the Assessor and the contractor match data regarding owner name, sales data, billing addresses, and current year valuation amounts.~~ shall devise and employ a system which is acceptable to the County for file updates between the contractor's office and the assessor's office which includes provisions for locating and correcting data synchronization errors. Any files transmitted to the County in any way, shape, or form, shall be scanned and cleaned of all known computer viruses prior to transmission. All data generated by the contractor under this agreement will be the property of the County.

13.2 New Construction, Newly Discovered Entry. Projects that employ off site entry shall take special care to see that the new construction and newly discovered parcels are accurately reflected in the Assessor's office.

14.0 Data Entry. Data entry is the responsibility of the contractor.

The Contractor shall be responsible for the data entry into the County's current CAMA system of all newly constructed or discovered property. After the completion of the physical review of each property the Contractor shall be responsible for updating the data entry previously residing on the County's CAMA system with any changes or amendments noted by the appraiser.

The data entry will follow timelines similar to the field work or data collection phase of the project.

15.0 Qualifications of Contractor.

15.1 Contractor shall submit to the county and ACD a statement of qualifications of all employees who will be involved in the reappraisal project. The qualifications shall meet those established in ACD Rules implementing Act 1185 of 1999, as amended.

Contractor must have knowledge and experience of the same CAMA system as employed by Washington County. The Contractor shall demonstrate expertise and experience in the use and administration of the CAMA system currently being used by Washington County to the satisfaction of the County. Administration of the CAMA system shall include, but is not limited to, adding, deleting and managing users, managing changes necessary for data entry, maintenance and repair of new or existing data, running queries, troubleshooting problems pertaining to data entry and valuation, and contacting software and network support when necessary. The assessor shall be notified when these problems occur. If the Contractor does not meet these specifications, he shall present evidence which demonstrates that he has the ability to learn to use and administer the County's chosen CAMA system prior to project commencement.

The contractor shall have at least five years continuous experience conducting mass appraisal projects in excess of 50,000 parcels in the State of Arkansas. If the contractor does not meet these specifications, he shall present evidence which demonstrates that he is capable of satisfactorily completing a reappraisal project of the size and scope required in Washington County.

The Contractor shall maintain offices in Washington County for the duration for the project where the bulk of the appraiser supervision, data entry, and valuation will occur. The Appraisal Manager's usual workplace shall be in the Contractor's Washington County location.

The Contractor shall submit to the County a statement of the qualifications of its employees who will be supervising the appraisal project and assigning final land and building values. The Contractor shall also submit information set forth below concerning the personnel to be utilized during the project. The qualifications shall meet or exceed the following guidelines:

- a. The Contractor shall designate a qualified and responsible employee certified by the ACD as an Appraisal Manager to supervise the operation of the Contractor's staff for the entire project. It is preferred that the Appraisal Manager shall have successfully managed a reappraisal/maintenance project of at least 50,000 parcels for at least two of the last five years. If the individual does not meet these specifications, he shall present evidence which demonstrates that he is capable of satisfactorily managing a reappraisal project of the size and scope required in Washington County. The individual designated as such shall make himself/herself available to the County Assessor, the County Judge, the County Board of Equalization and the ACD for consultation throughout the project.
- b. The supervisor or supervisors in direct charge of the work in the field shall have no less than a "Senior Appraiser" (Level 4) designation from the ACD State Assessment Training Program. A qualified and experienced appraiser shall classify all properties involved in the revaluation project.

- c. The Contractor shall submit resumes of all personnel to be assigned to this project. All appraisers involved in the Washington County project will have at least an ACD Level III designation, unless the Assessor has granted prior written permission. All appraisers Proof of State Designation shall be included with the resumes.
- d. All appraisers shall be thoroughly indoctrinated in all phases of their work and be certified by the ACD's State Assessment Training Program to complete appraisals of the specific types of properties they will be appraising.
- e. Personnel determining final land values shall have qualifications not less than those prescribed for supervisors in direct charge of work in the field.

The Contractor shall provide proper identification to all employees who, by reason of their work, shall be in contact with the general public. Identification cards, in addition to the usual information, shall contain a photograph of the employee. Said identification is to be readily displayed upon the employee's person. All vehicles used in the reappraisal shall be appropriately identified.

16.0 Conflict of Interest. Contractor shall not contract with or employ a county official or immediate relative of a county official in connection with the revaluation project. The contractor may not contract with or employ employees of county officials. This provision does not bar county employees from resigning their positions with the county and subsequently becoming employees of the contractor.

19.0 Change in Contract. Changes in the contract shall be permitted only upon written mutual agreement of the Contractor, the county, and the Director of the Assessment Coordination Department.

19.1 Should any conflicts arise regarding the interpretation of the various relevant documents, the following order of precedent shall prevail:

- a. The Contracted Countywide Reappraisal Plan
- b. The Contract
- c. The Specifications

21.0 Surety and Insurance. Contractor shall carry public liability and workman's compensation insurance which shall save harmless the county from claims, demands, and causes of action arising from any act of commission or omission of the Contractor, its agent or employees, in the execution of their work under the terms of this agreement, including claims relating to labor and materials furnished.

The Contractor shall procure and maintain casualty and liability insurance from a responsible insurer authorized to do business in the State of Arkansas in the amounts of not less than Five Hundred Thousand Dollars (\$500,000) for the death or injury of one person and Five Hundred Thousand Dollars (\$500,000) for any one accident with limits of Five Hundred Thousand Dollars (\$500,000) for property damage for each occurrence with One Million

Dollars (\$1,000,000) aggregate to protect the County, its officers, agents and employees against such cost, claims, damages or expenses on account of injury or death to any person or persons or to any property belonging to any person or persons by reason of such casualty, accident, or other happening.

Certificates of said policy or policies of insurance shall be delivered to the County Judge by the Contractor prior to the commencement of actual work.

25.0 Indemnity. The contractor will defend, save harmless and exempt Washington County Government, its officers, agents, and employees from and against any and all damages, costs, expenses and attorney's fees resulting from injury to persons or damage to property suffered in connection with work done in the performance of the contract. The county reserves the right to retain counsel of its choice at its own expense or, in the alternative, approve counsel obtained by the contractor.

26.0 Cancellation. The contract can be terminated by either party upon thirty-day (30) written notice in the event of noncompliance with the terms of the contract.

In the event the Contract is terminated or not renewed, the Contractor will be entitled to any earned but unpaid fees as of the date of termination.

28.0 Payment. Payment by the county to the contractor shall be made monthly based on ~~(Choose one: "equal payments over the term of the contract" or "production level")~~. Payments are subject to the "hold back" provisions of ACD Rule 3.17. The last four (4) payments of the contract amount will be held back until such time as the reappraisal is deemed completed by the ACD.

28.0a The Contractor will submit invoices to the County Comptroller on the first day of each month comprising the term of this Agreement. The monthly invoices will be based on a prorated monthly amount (contract price divided by 60 months). The first invoice shall be issued by the Contractor to the County on February 1, 2011, for work completed during the previous month. The County agrees to pay each invoice within 10 business days of receipt or to provide the Contractor with a notice of disapproval of the invoice within 10 days of submission.

The County will hold back 10% of the amount of each monthly invoice until the Contractor has satisfied the completion of their annual responsibilities. In each of the five years of the contract the annual retention shall be paid to the Contractor by the County by December 31 of each year if all annual responsibilities have been completed.

The Contractor agrees to commence the project on December 31, 2010. The Contractor will have satisfied the performance of the contract upon the acceptance of the reappraised values by the Washington County Equalization Board and the ACD. Upon the successful completion of the project, the Board of Equalization shall provide to the Contractor a Letter or Certificate of Completion acknowledging that all contractual obligations have been met.

29. Late Charge. Contractor will complete the work within the time frame specified in ACD Rules implementing Act 1185 of 1999, as amended. If the contractor fails to complete the

work within the time specified, the contractor shall pay the county, as liquidated damages, and not in the nature of a penalty, the sum of \$500.00 for each day delayed, (Saturdays, Sundays, and official state holidays excluded) which shall be deducted from the final amount to be paid under the contract. The County Judge reserves the right to relieve the Contractor of said late charge.

29.0a It is understood and agreed by the parties hereto that all sums payable by the County herein must be appropriated annually by calendar year, and each such appropriation shall constitute a renewal of this Contract. County shall appropriate such funds annually by calendar year for the payment of this Contract unless such action will constitute a violation of the law of the State of Arkansas. In the event that County is unable to appropriate such funds, then this Contract shall become null and void.

29.0b Should any provision of this Contract be held invalid, such provision shall be deemed to be eliminated insofar only as it is declared invalid and the balance of this Contract shall in no way be affected, and to this end the provisions of this Contract are declared to be severable.

30. Checklist for Services to Be Provided. The following checklist must be submitted as part of the bid specifications:

1. Contractor Required Services

- ~~Finished Property Record Cards~~
- ~~Sectionalized Aerial photos (If county does not already have most current)~~
(Sectionalized is defined as — The process of drawing and/or displaying linear representations of Section, Township and Range lines on aerial photography and labeling same.)
- Real estate appraisal
- Field data collection
- CAMA system data entry
- Agricultural, timber & pasture land value update
- Appraisal notice mailing
- Value estimate defense
- Public inquiries about property values (informal appeals)
- Property sales verification
- Sales ratio study (compliance with 10.0 of the bid Specifications)
- Progress reports to county officials and ACD
- Discovery of new construction from public records and sources
- Valuation of newly discovered property in the current assessment year
- Property addresses where reasonably attainable
- Most recent ACD soil summary
- Quality Control (compliance with 13.0 of the Bid Specifications)
- Liability and workman’s compensation insurance (compliance with 21.0 of the Bid Specifications)
- Reappraisal Planned Progress submitted to ACD
- Office space
- Office furnishings
- Contractor’s own CAMA Computer software maintenance

2. County Required Services

- Sales information (compliance with 9.0 of the Bid Specifications)
- Ownership records
- Combine parcels in accordance with Act 2090, 2005.
- Creation of required new parcels (see 4.3f of the Bid Specifications)

3. Additional Services to be provided by: Contractor County

Reappraisal plan submitted to ACD	___X___	_____
Office Space	___X___	_____
Office furnishings	___X___	_____
Digital photography	___X___	_____
<u>Contractor’s</u> Computer hardware	___X___	_____
<u>Contractor’s</u> Computer software maintenance	___X___	_____
<u>CAMA Reappraisal</u>	_____	_____