

TAO Contracts

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Retired DOR (and loving it)

A Non-Legal Persons Perspective

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What is a Contract?

- a binding agreement between two or more persons or parties; especially : one legally enforceable If the contract is broken.
- a business arrangement for the supply of goods or services at a fixed price
- the act of marriage or an agreement to marry

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Forms of Contracting

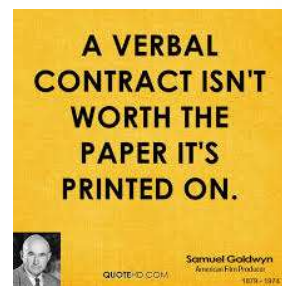
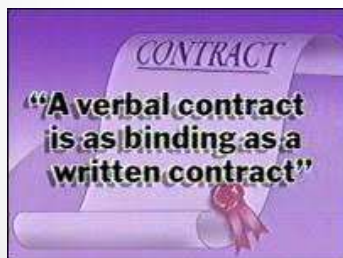
- Written – most common
 - Provides documentation for services to be performed
 - Clear and concise
 - Excellent source for reference if needed



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Forms of Contracting

- Verbal
 - Agreement by word and a handshake
 - Probably, not the best form
 - Leaves too much to memory



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When are Contracts Needed?

- A need for filling staff positions on a temporary or maybe permanent basis
- Appraisal services are required that cannot be accomplished within a required time frame by the staff
- Appraisal services are needed that are beyond the comfort level or knowledge base of the staff
- Appraisals for unique/specialized properties are needed
- Software services are sought
- Other situations that require out-sourcing

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What Initiates the Contract Process?

- BOA, Chief Appraiser and/or staff recognize an internal need that cannot be met with current staffing
- Legislation is passed that mandates new or modified procedures that the current staff cannot meet

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RFI

- Request for Information
- This is not a bid
- It is non-binding
- RFI is more or less a solicitation for ideas/thoughts from perspective contractors
- Used when there is some uncertainty about what needs to be done
- Should contain a description of the project and a request for procedures that would be employed to conduct the project

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Beginning the Contract Process

- Decide exactly what is needed
 - Use info from RFI, if one was sent, to help formulate decision about needs
- Now is not the time to use broad terms
 - Broad Term: We need a review of all residential properties
 - More Precise: We need grades and depreciation to be reviewed
 - Broad Term: We need new appraisal software
 - More Precise: We need an analytical tool to complement our appraisal software
- Create a document that details the services to be provided by the contractor
 - Spell out precisely what you need and expect

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RFP

- Request for Proposal
 - AKA, RIP if revaluation is to being requested
- Document designed to provide perspective contractors with details surrounding task to be performed
- Should contain
 - details decided upon in previous discussions
 - Contact person for questions
 - Deadline for questions
 - Information associated with manner in which RFP is received
 - Email
 - Postal Service
 - Information concerning time/place of delivery

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RFP

- Language of RFP should be clear and to the point
 - This is no time to try and use all sorts of legal terms that simply confuse those trying to submit and many times, confuse those making the request
 - In other words, state what you want in day-to-day terms
- Sectionalize RFP
 - Set apart the different sections of the RFP which makes it easier to read
 - Introduction
 - Details
 - Submission terms, etc
 - Create a Table of Contents for quick reference

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Sample RFP - Intro

- The XXX County Board of Assessors is currently soliciting bids for the purpose of reappraisal of all residential and agricultural real property within the county. The XXX County Board of Assessors is charged by law with the responsibility of ensuring that all taxable property is assessed at fair market value as prescribed by Georgia law. The Board is seeking assistance in carrying out this responsibility by contracting with an outside firm to perform all functions necessary to ensure that all property is fairly assessed. The contractor shall be familiar with and have a working knowledge of all Georgia Laws and Department of Revenue Rules and Regulations dealing with ad valorem taxation of real property.

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Sample RFP - Details

- All agricultural, residential and associated improvements except pre-billed mobile homes shall be field reviewed with data transferred to field cards furnished by the county. ***The field review shall consist of a drive-by review of all major improvements, except pre-billed mobile homes, and measurements made of each structure not listed on field card. All major improvements shall be assigned a effective year built, observed condition, and quality grade with such information transferred to field cards. In addition, all improvements, except pre-billed mobile homes, will be assigned a percentage good amount defining maintenance or lack of maintenance.***

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Sample RFP - Details

- All major improvements, except pre-billed mobile homes, shall be photographed.
- GPS Waypoints shall be provided for each residential and agricultural improvement. The GPS Waypoints shall be integrated into the WinGAP database so as to be accessible by E911 and other agencies.
- Any unlisted accessory improvements shall be measured, identified, assigned a year built, quality grade and physical depreciation where necessary with such information placed on field cards. Accessory buildings, which have no value, shall be noted on field cards as having no value.

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Sample RFP - Details

- New schedules reflecting current cost and/or market conditions in XXX County shall be developed for all improvement types: residential, agricultural and accessory. Values shall reflect local market conditions.
- All sales information will be provided to the company by the county. **The county shall be responsible for qualifying the sales.**
- Neighborhood/location adjustment schedules shall be developed where market conditions deem such to be needed.

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Sample RFP - Details

- All land in rural tracts will be reviewed, classified, and valued according to productivity, topography, and etc. Woodlands and agricultural land will be broken down to nine classifications. Woodlands will be separated from open land and pastureland; all farm ponds will be identified, classed, and valued. The company shall show where all timber and improvement values have been appropriately removed from all sales in developing the small and large land tract schedules.
- The acreage level at which the valuation of small tracts end and large tracts begin will be determined by the company and the county board of assessors.

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Sample RFP - Details

- Large and Small tract parcels in rural areas will be classified by accessibility and desirability characteristics. The company shall provide narrative descriptions defining all accessibility and desirability codes. Accessibility codes will be numeric; desirability will be indicated by use of alpha codes.
- The values of small tracts and large tracts surrounding the acreage level where the small tract schedule ends and the large tract schedule begins, should blend to show uniformity without a large increase/decrease of value within the same accessibility/desirability assignment

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Sample RFP - Details

- All schedules and values therein shall be the responsibility of the company. All schedules and units values shall be developed using current FMV sales of property in XXX County. In the case of large tracts of rural land, sales within a two year time period shall be used unless an inadequate number of sales are available. In such case, the time period for sales shall extend to a 4-year period. If inadequate sales are still not available, sales from surrounding counties shall be used. All schedules and unit values for each class of property shall be supported by ratio studies. The level of assessment indicated in each study shall not be less than 38.50% or greater than 41.00% for all property. The coefficient of dispersion in each study shall not exceed 12% for residential and 16% for all other classes. The price related differential shall be in a range of .98 to 1.05 for all property classes. Any study that does not meet all of the above listed criteria shall result in the schedule being rejected by the Board of Assessors

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Sample RFP - Details

- The county shall provide adequate workspace and computer connections for the company to perform the necessary work.
- The county shall perform data entry for modifications noted on field cards for improvements.
- The company shall be responsible for integrating all land data into the WinGAP CAMA.

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RFP - Conclusion

- Bids must be received no later than <insert date>. Any bid received after 12:00 p.m. on that date will not be accepted or considered. Any questions concerning the above specifications shall be submitted to the Board of Assessors. No questions will be accepted after 5:00 p.m. <insert date>.
- The XXX County Board of Assessors reserves the right to waive irregularities in any bid, to reject any and all bids with or without cause and/or to accept the bid that in their judgment will be for the best interest of XXX County. The county also reserves the right to request additional information or clarification from the vendor. At the discretion of the county, firms submitting bids may be requested to make one or more oral presentations as part of the selection process at the expense of the company.
- The company shall furnish a list of references

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RFP - Conclusion

- All bids should be returned to:
- - **XXX County Board of Assessors**
 - **Attn: <bid receiver>**
 - **<insert address>**
- Any questions should be directed to:
 - **<name>, Chief Appraiser**
 - **XXX County Board of Assessors**
 - **<insert phone, fax and email address>**

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Contract

- The hard work is done with the RFP being sent
- Contract is basically a reiteration of items in the RFP along with a signature page
- Be certain that payment and breach of contract rules are stipulated

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Summary

- Organize your thoughts so RFP will be direct and to the point
 - Use RFI if doubts are present about details
- Construct RFP so that it is easily read and understandable
 - Have county attorney review
- Review submitted RFP's carefully
 - Make sure all RFP stipulations are covered
 - Omission of a couple of items can greatly impact cost estimate
- Design contract along the lines of the RFP

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