

## **RESOLUTION REGARDING PROPERTY APPRAISAL SERVICES**

**RESOLVED:** That the President is hereby authorized to enter into contracts with the following firms for Property Appraisal Services, substantially as discussed and presented at this meeting:

- Appraisal Economics Inc.;
- CB Richard Ellis – N.E. Partners, LP; and
- George E. Sansoucy, P.E., LLC

# Connecticut Resources Recovery Authority

## Contract Summary for Contract entitled Property Appraisal Services Agreement

Presented to CRRRA Board on:	June 18, 2009
Vendor/Contractor(s)	Appraisal Economics Inc. CB Richard Ellis – N.E. Partners, LP George E. Sansoucy, P.E., LLC
Effective Date:	July 1, 2009
Contract Type/Subject Matter:	Three-Year Agreement for Property Appraisal Services
Facility(ies) Affected:	Not Applicable
Original Contract	Not Applicable
Term:	July 1, 2009 through June 30, 2012
Contract Dollar Value:	Not Applicable. All services will be provided pursuant to a Request for Services ("RFS")
Amendment(s)	Not Applicable
Term Extensions:	Not Applicable
Scope of Services:	On-call property appraisal services
Other Pertinent Provisions:	Any work under the Agreements will be pursuant to a Request for Services ("RFS"). Any RFS in excess of \$50,000 per fiscal year will require approval by the Board of Directors.

# Connecticut Resources Recovery Authority

## Property Appraisal Services Agreement

June 18, 2009

### Executive Summary

From time to time CRRA requires the assistance of firms to provide property appraisal services for a variety of types of properties and purposes. CRRA's "Procurement Policies and Procedures" establishes a "Request for Qualifications" ("RFQ") process to obtain such services.

CRRA has not previously conducted an RFQ process for such services, but, because the need for such services has increased in frequency in recent years, CRRA determined that an RFQ process was the most prudent approach for acquiring them.

The development of a "stable" of qualified property appraisers will enable CRRA to procure services in a more cost effective and timelier manner. Recent appraisal work includes valuations of the waste-to-energy plants of Bridgeport, Mid-Connecticut and Wallingford. In addition, the 4 Mid-Connecticut transfer stations, the Milford transfer station and CRRA-owned land in Waterbury were all appraised.

CRRA issued an RFQ for property appraisal services in March 2009 in order to solicit firms with which to contract for the three-year period beginning July 1, 2009.

CRRA received responses to the RFQ from eight firms. Operations staff evaluated the responses. Based on those evaluations, the firms listed below have been selected for recommendation to the Board of Directors.

- Appraisal Economics Inc.
- CB Richard Ellis – N.E. Partners, LP
- George E. Sansoucy, P.E., LLC

This is to request approval of the CRRA Board of Directors for the President to enter into agreements with the firms identified above to provide services as described below for the three-year period beginning July 1, 2009 and ending June 30, 2012. Any work performed under such an agreement will be pursuant to a Request for Services ("RFS"), and any RFS that is in excess of \$50,000 per year will require approval of the Board of Directors.

## **Discussion**

CRRA's "Procurement Policies and Procedures" establishes an RFQ process as "a process by which CRRA identifies persons to perform services on behalf of . . . CRRA through the solicitation of qualifications, experience, [and] prices." CRRA has historically used the RFQ process to pre-qualify firms for a variety of technical services that it requires (e.g., engineering services). In accordance with its Procurement Policy and Procedures and Connecticut State Statute, CRRA is required to solicit for technical and professional services once every three years. While CRRA has not previously acquired property appraisals through an RFQ process, such services are clearly the type of technical services for which an RFQ process is appropriate. In addition, the frequency with which CRRA has required property appraisal services has recently increased. For these reasons, CRRA determined that the most prudent approach to acquiring property appraisal services was through an RFQ process.

CRRA issued an RFQ for property appraisal services on March 19, 2009. The availability of the RFQ was advertised in seven Connecticut newspapers (the Connecticut Post, the Hartford Courant, the New Haven Register, the New London Day, the Waterbury Republican-American, the Northeast Minority News and La Voz Hispana) and on CRRA's web site. The "Notice to Firms" was also posted on the Connecticut Department of Administrative Services web site. Statements of Qualifications ("SOQs") were due by April 28, 2009.

A total of eight firms responded to the RFQ. They are as follows:

- Appraisal Economics Inc.
- Austin McGuire Company
- Blue Ribbon Appraisals LLC
- CB Richard Ellis
- Federal Appraisal & Consulting
- George E. Sansoucy, P.E., LLC
- J.F. Mulready Company LLC
- Marc Gottesdiener & Co., Inc.

The SOQ submitted by Austin McQuire Company was a day late and, for that reason, was not given further consideration.

The SOQs submitted by the other seven firms were first evaluated for administrative sufficiency and responses to CRRA's "Questionnaire Concerning Affirmative Action, Small Business contractors and Occupational Health and Safety." They were then evaluated for technical merit by CRRA Operations staff. SOQs were evaluated on the respondent's strengths and qualifications, experience with controversial facilities, the background and experience of the staff, payment rates and potential conflicts.

The following three firms were ranked highest in the evaluation conducted by CRRA staff and were selected for recommendation to the Board of Directors:

- Appraisal Economics Inc.
- CB Richard Ellis – N.E. Partners, LP
- George E. Sansoucy, P.E., LLC

These three firms all had the highest ratings for strengths and qualifications, experience with controversial facilities, background and experience of staff and the absence of potential conflicts. Staff decided to recommend three firms to the Board for two reasons. First, because of requirements in CRRA's Procurement Policies and Procedures, CRRA routinely obtains appraisals from two different firms for any property that it is interested in disposing of or acquiring. Second, there is a very wide range of types of properties and facilities for which CRRA might have an interest and, combined, these three firms amply cover that wide range.

Appraisal Economics Inc. has significant appraisal experience with waste-to-energy facilities and power plants. In addition, it has previously been retained by CRRA for appraisal services and performed to CRRA's satisfaction.

CB Richard Ellis – N.E. Partners, LP is the largest full service real estate firm located in Connecticut. The firm's Valuation and Advisory Services Group has experience with appraising controversial properties and facilities. It has previously worked on appraisals of controversial CRRA projects and performed to CRRA's satisfaction.

George E. Sansoucy, P.E., LLC specializes in the analysis and valuation of public utility infrastructure, energy projects and complex industrial properties and in consultation services on regulatory matters involving the energy industry. The firm has previously performed appraisal services for three of CRRA's four waste-to-energy facilities and performed to CRRA's satisfaction.

To summarize, the 3 firms selected all have the proper credentials and have experience with waste-to-energy facilities, complex industrial properties, and public utilities. In addition, they all have previously performed appraisal services for CRRA.

The agreements that are to be executed with these firms will have an effective date of July 1, 2009 and will extend through June 30, 2012.

### **Financial Summary**

CRRA makes no financial commitment to any firm in the three-year services Agreements. This selection simply qualifies a firm as eligible to undertake work for CRRA at a later date, when a specific need is actually identified. Any such future work would be procured through an RFS, and any RFS for more than

\$50,000 per fiscal year would require prior approval by the CRRA Board of Directors.

The cost for any particular task specific RFS that is negotiated with any particular property appraisal firm pursuant to these three-year service agreements will be based on the hourly rates for time (i.e., professional labor rates) and materials (e.g., daily rental rate for water sampling equipment) that are pre-established in these three-year service agreements.