Property Acquisition Services

Orange County Water District

**SCOPE OF WORK**

**FOR PROPERTY ACQUISITION SERVICES**

June 1, 2016

**PURPOSE**

The Orange County Water District (District) is soliciting quotes from Consultants to provide on-call Property Acquisition Services to acquire property rights for small parcels of land for monitoring wells, injection wells, and water treatment and small storage facilities with connecting pipelines facilities or other related uses as identified by our District Staff and can offer and manage the requested acquisition services as one package. In order to construct the projects, it is necessary to acquire property rights by lease, easement or purchase to access the parcels in a timely manner from willing property owners. The acquisition services sought are:

Right-of-Way Agent - acquisition

Preliminary Title Report

Appraisal of Property

Appraisal Review

Phase 1 and Phase 2 Environmental Site Assessments, if necessary

Project Management

**SCOPE OF ASSIGNMENT**

The services requested above would be on-call and ready to respond quickly when a property is identified. The Project Manager would work with District Staff to identify the properties to be acquired. The Right of Way Agent would initiate contact with the property owner or their agent, negotiate a lease, easement, agreement or purchase of property, obtain title reports and appraisal of property rights to be acquired, review the appraisal, coordinate the acquisition services and be responsible to oversee those acquisition services to completion in a timely and professional manner. The services requested are explained in more detail below:

**RIGHT-OF-WAY AGENT**

The Right-of-Way Agent shall be available to identify properties and property owners, contact property owners, research title, initiate an appraisal report, prepare documents, site acquisition, and negotiations.

**TITLE REPORT**

A Preliminary Title Report (Report) is to be provided for each parcel to be acquired. Each Report shall identify all easements, liens, and encumbrances, and have a copy of all deeds and documents identified in the report. A map showing the location of the property is to be completed and attached to the Report. District Staff shall specify the required reports.

**PHASE ONE AND TWO ENVIRONMENTAL SITE ASSESSMENTS**

If necessary,

Phase 1 Environmental Site Assessment is to be performed in conformance with all of the components of the ASTM Standard Practice E 1527 Phase I Environmental Site Assessment Scope of Work.

Phase 2 Environmental Site Assessment is to include inspection service, arranging for driller to take boring samples and reading of the boring samples as directed by District Staff.

District Staff shall specify the number of reports required.

**APPRAISAL**

The appraisal report requested is a (Summary) Narrative Appraisal Report. The requirements for the appraisal are contained in the attached Minimum Appraisal Requirements. The appraiser in the course of the appraisal shall make such investigation, perform such studies, and complete such analysis as is reasonably necessary to permit the appraiser to develop and substantiate the opinions of value, and severance damages, if any, that may be applicable as a result of the District’s acquisition of the property.

The appraiser's analysis of "Highest and Best Use" shall be made on the basis that the ownership is immediately available for sale to the private sector, or others, and that the property could be developed to its highest economic use pursuant to reasonable assumptions dealing with land use regulation, market demand, etc.

Conclusions reached regarding valuation of the subject property, damages, highest and best use, etc., must reflect findings rationally supported by the appraiser's investigation and analysis. Market data used in the report must be personally inspected by the appraiser and the appraiser must personally verify the data of all comparable sales with buyer and/or seller, or their respective representative (provided that they have personal knowledge of the transaction). Preferably both buyer and seller will be interviewed.

**APPRAISAL REPORT FORMAT AND ADMINISTRATION**

The appraisal is to be a comprehensive written and bound Summary Narrative Appraisal Report. The appraisal report is to show the increase or decrease in value due to the difference between the subject property and the comparable.

The subject appraisal is being prepared for the District. The consultant selected will be responsible for administrating the contract and providing such materials to the appraiser (maps, title reports, etc.) as may be necessary to perform the assignment. The "Scope of Work" and "Minimum Appraisal Requirements" are intended to serve not only as a basis for performing the appraisal, but also as an aid to potential appraisers for the purpose of them evaluating their interest in doing the work and committing to a fair fee for the assignment. Accordingly, these materials should be furnished in advance to all appraisers who are asked to consider undertaking the assignment.

Fees should be quoted for the appraisal assignment through the completion of the final report.

District Staff shall specify the number of reports required.

**PROJECT MANAGEMENT SERVICES**

The purpose of the Project Management Services is to ensure that all of the acquisition services and reports are initiated and completed in a timely and professional manner and to oversee those consultants compiling the various reports and the Right of Way Agent. The Project Manager is to ensure that all of the reports are independently reviewed to ensure that the reports are correct and complete. The Project Manager is to act as the contact point between District Staff and consultants.

**AGREEMENT AND FEES**

The Consultant selected for this assignment will be offered a Professional Service Agreement (PSA). A draft copy of the PSA is attached for your reference. All fees are to be quoted on a time and material basis and be valid for 12 months from the date the PSA is fully executed for the following categories:

**FEE SCHEDULE**

|  |  |
| --- | --- |
| **TASK** | **FEE/RATE**  **PER HOUR** |
| Preliminary Title Report |  |
| Appraisal of Property |  |
| Appraisal Review |  |
| Phase 1 Environmental Site Assessment |  |
| Phase 2 Environmental Site Assessment |  |
| Right-of-Way Agent - acquisitions |  |
| Project Management |  |

The Consultant may attach a copy of their standard rate schedule to their response. Any change in the Fee/Rate per hour must be approved by the District’s General Manager or his/her designee in advance of work to be performed.

**QUESTIONS**

All questions concerning this RFQ and Scope of Work are to be directed to Donald Jackson, Property Manager, at (714) 378-3265 or cell phone at (714) 308-4499 or by e-mail at [djackson@ocwd.com](mailto:djackson@ocwd.com).

**ORANGE COUNTY WATER DISTRICT**

MINIMUM APPRAISAL REQUIREMENTS

GENERAL

ASSUMPTIONS AND GENERALIZATIONS BY THE APPRAISER RELATING TO THE EXISTENCE OF UTILITIES, ACCESS AND AN ESTIMATED HIGHEST AND BEST USE WHICH DIFFERS FROM THE PRESENT USE, AND PRESENT ZONING ARE UNSATISFACTORY IN REPORTS TO BE SUBMITTED UNDER THIS CONTRACT. These items must be confirmed or justified by patterns of growth and demand, trends as indicated in the area, city and neighborhood analysis. As a minimum, the format of the appraisal report must comply with the appraisal requirements set forth in the attached pages.

In the preparation of this report, the Appraiser shall follow uniform standards of professional appraisal practices, giving consideration to three approaches to value, namely: The Cost Less Depreciation, the Income, and the Comparative (or Market) approaches, unless otherwise specified and be licensed in the State of California.

Should certain approaches or requirements covered in these specifications not be applicable to the assignment, the contractual obligation can be fulfilled by identifying that approach or requirement together with a brief explanation of its omission. If necessary, supplementary specifications shall be furnished requiring additional data in the appraisal of highly specialized properties or under other unusual circumstances.

FORMAT

The report shall be bound on the left margin, in book fashion, in a durable cover, with an identification of the property on the face thereof. The paper used shall be a 20 bond grade or better, 8 ½” x 11.” All pages shall be numbered consecutively, including all exhibits, and each important heading shall be shown in the table of contents with reference to page number. Tabbed dividers segregating the major sections of the report are desirable.

CONTENTS OF APPRAISAL REPORT

1. Title Page

2. Table of Contents

3. Letter of Transmittal

4. Photographs

MINIMUM APPRAISAL REQUIREMENTS

5. Statement of Limiting Conditions and Assumptions

6. Certification

7. Purpose of the Appraisal - This shall include the reason for the appraisal, and a definition or all values required, and property rights appraised.

8. Legal Description - This description shall be complete as to properly identify the property appraised.

9. Area, City, and Neighborhood Data - This data (mostly social and economic) should be kept to a minimum and should include only such information as directly affects the appraised property together with the Appraiser's conclusions as to significant trends.

10. Property Data

a. Site - Describe the soil, topography, mineral deposits, easements, etc. A statement must be made concerning the existence or nonexistence of mineral deposits having a commercial value. In case of a partial taking, discuss access both before and after to remaining parcel. Also discuss detrimental, hazardous, or potentially detrimental or hazardous factors inherent in the location of the property.

Specifically include a discussion as to hazardous, potentially hazardous, or suspicious material which may exist (or may have existed) on the property as a result of existing, known or suspected former uses of the property.

b. Improvements - This description may be by narrative or schedule form and shall include dimensions and square foot measurements and, where appropriate, a statement of the method of measurement used in determining rentable areas such as full floor, multi-tenancy, etc.

c. Equipment - This shall be described by narrative or schedule form and shall include all items of equipment, including a statement of the type and purpose of the equipment. The current physical condition and relative use and obsolescence shall be stated for each item or group appraised, and whenever applicable, the repair or replacement requirements to bring the property to usable condition.

MINIMUM APPRAISAL REQUIREMENTS

Any related personality or equipment, such as tenant trade fixtures, which are not attached or considered part of the reality, shall be separately inventoried. Where applicable, these detachable or individually owned items shall be separately valued.

11. Zoning - Describe the zoning for subject and comparable properties (where Government owned, state what the zoning probably will be under private ownership), and if rezoning is imminent, discuss further under Item 12.

12. Analysis of Highest and Best Use - The report shall state the highest and best use that can be made of the property for which there is a current market, under two assumptions; 1) "As if vacant" and, 2) "As improved" (including land and improvements and, where applicable, machinery and equipment). The valuation shall be based on the highest and best use indicated through this analysis.

13. Proposed Construction - The report shall describe the construction in the manner proposed based on the Appraiser's study of construction drawings and/or interviews with the engineers responsible for project design.

14. Land Value - The Appraiser's opinion of the value of the land shall be supported by confirmed sales of comparable, or nearly comparable; lands having like optimum uses. Differences shall be weighed and explained to show how they indicate the value of the land being appraised.

15. Value Estimate Comparative (Market) Approach - All comparable sales used shall be personally confirmed by the Appraiser with the buyer, seller, broker, and/or other person(s) having firsthand knowledge of the price, terms, and conditions of sale. Each comparable shall be weighed and explained in relation to the subject property to indicate the reasoning behind the Appraiser's final value estimate from this approach. The appraisal report is to show the increase or decrease in value due to the difference between the subject property and the comparable.

16. Value Estimate by Cost Approach, if Applicable - This section shall be in the form of commutative data, arranged in sequence beginning with reproduction or replacement cost, and shall state the source (book and page if a national service) of all figures used. The dollar amounts of physical deterioration and functional and economic obsolescence, or the omission of same, shall be explained in narrative form.

This procedure may be omitted on improvements, both real and personal, for which only a salvage or scrap value is estimated.

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17 Value Estimate by Income Approach, if Applicable - This shall include adequate factual data to support each figure and factor used and shall be arranged in detailed form to show at least (a) estimated gross economic rent or income; (b) allowance for vacancy and credit losses; (c) an itemized estimate of total expenses including reserves for replacements.

Capitalization of net income shall be at the rate prevailing for this type of property and location. The capitalization technique, method, and rate used shall be explained in narrative form supported by a statement of sources of rates and factors.

18. Interpretation and Correlation of Estimates - The Appraiser shall interpret the foregoing estimates and shall state their reasons why one or more of the conclusions reached in Items 14 through 17 are indicative of the market value of the property.

19. Damages and Special Benefits - In case of a partial take, the Appraiser shall estimate the loss in value to the remainder due to the taking and construction in the manner proposed, as well as any special benefits accruing to the remainder property.

The Appraiser shall set forth in the appraisal the rationale and support used for determination as to what constitutes the "larger parcel." The Appraiser shall explain the reasons for their estimates regarding Damages and Special Benefits and provide supportive analysis for their conclusion.

21. Qualifications - (Of all Appraisers and/or Technicians contributing to the report)

22. Exhibits - The Appraisal Report should contain a sufficient number of exhibits to assist the reader in understanding the appraisal problem, including but not limited to:

a. Location Map (within city or area)

b. Comparative Sales Map (Market Data) Show geographic location of subject property and market data items used for comparative purposes.

c. Detail of the Comparative Data (Market Data Sheets)

MINIMUM APPRAISAL REQUIREMENTS

d. Construction Drawings or Portions Thereof

e. Plot Plans

f. Floor Plans - (When needed to explain the value estimate)

g. Photographs

h. Scope of Work

1. Other Pertinent Items