

NEW HANOVER COUNTY
REQUEST FOR BIDS
REAPPRAISAL OF PROPERTY
RFP # 15-0165



COUNTY COMMISSIONERS

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Section 1 Advertisement

NEW HANOVER COUNTY
REQUEST FOR BIDS
REAPPRAISAL OF PROPERTY
RFP 15-0165

Sealed proposals addressed to Lena Butler, Purchasing Supervisor, New Hanover County Finance Office, 230 Government Center Drive, Suite 165, Wilmington, North Carolina 28403 and marked “**REAPPRAISAL OF PROPERTY-RFP 15-0165**” will be accepted until **5:00 P.M. EST, Friday, November 14, 2014.**

Proposals submitted shall not be subject to public inspection until a contract is awarded; therefore, there will be no formal opening of these proposals. Any proposal received after the scheduled closing time for the receipt of proposals will be rejected.

Instructions for submitting bids and complete requirements and information may be obtained by visiting the County’s website at <http://www.nhcgov.com/business-nhc/bids/>.

Each bidder shall be required to supply a Bid Bond to accompany their submitted bid. Said Bond, shall be an amount not less than five percent (5%) of the bid proposal. The Bid Bond may be submitted in the form of a certified or cashier’s check or a bond underwritten by a surety licensed to do business in North Carolina. If the successful bidder fails to execute the contract within 10 days after the award or fails to give satisfactory surety as required, this deposit shall be retained.

The successful bidder will be required to provide performance and payment bond executed by a surety company authorized to do business in North Carolina. The bond shall be equal to 100% of the contract price. All bonds shall be countersigned by an authorized agent of the bonding company who is licensed to do business in North Carolina.

The Board of County Commissioners reserves the right to accept or reject any or all bids and to make the purchase which will be in the best interest of the County.

Lena L. Butler, Purchasing Supervisor
New Hanover County
(910) 798-7190

Released: Friday, October 17, 2014

Section 2 Instructions and General Conditions

2.1 Schedule

Release Date	Friday, October 17, 2014
Deadline for Questions	Monday, October 27, 2014 by 5:00 PM
Deadline for Answers	Tuesday, November 4, 2015 by 5:00 PM
Deadline for Receipt of Bids	Friday, November 14, 2014 by 5:00 PM EST New Hanover County Finance Office 230 Government Center Drive, Suite 165 Wilmington, NC 28403
Contract Award Date	Monday, December 15, 2014

2.2 Bidder Instructions

The New Hanover County Tax Assessor is charged by law with the responsibility of ensuring that all property, real and personal, shall as far as practicable be appraised or valued at fair market value as prescribed by North Carolina General Statute 105-283; the Assessor must diligently search out and assess all taxable property in the County. One aspect of carrying out this responsibility is contracting with an outside firm to perform necessary functions to ensure that all property is fairly assessed. The Contractor shall be familiar with and have a working knowledge of all North Carolina Laws and Department of Revenue Rules and Regulations dealing with ad valorem taxation of real property.

2.2.1 Bidders are instructed to submit the original and (3) three copies of their proposal along with one (1) electronic copy on either a CD or a flash drive. All prices and notations shall be written in ink or typed. Discrepancies between words and numerals will be resolved in favor of words. Discrepancies between the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Changes or corrections made in the proposal must be initialed by the individual signing the proposal.

Submit proposals in a sealed envelope properly marked **“REAPPRAISAL OF PROPERTIES-RFP # 15-0165”** and address to the County at the following address:

New Hanover County Finance Office

Attn: Lena Butler, Purchasing Supervisor
230 Government Center Drive, Suite 165
Wilmington, NC 28403

- 2.2.2 No telephone, electronic or facsimile proposals will be considered. Proposals received after the time and date for closing will not be considered.
- 2.2.3 After the RFP issue date, all communications between the County and prospective Bidders regarding this RFP shall be in writing. Any inquires, requests for interpretation, technical questions, clarification, or additional information shall be directed to **Lena Butler, Purchasing Supervisor** by emailing lbutler@nhcgov.com. All questions concerning this RFP shall reference the RFP number, section number and paragraph. Questions and responses affecting the scope of the services will be provided to all Bidders by issuance of an Addendum. **All questions shall be received no later than 5:00 P.M., EST, Monday, October 27, 2014.**
- 2.2.3.1 Bidders may not have communications, verbal or otherwise, concerning this RFP with any personnel or boards from New Hanover County, other than the person listed in this section. If any bidder attempts or completes any unauthorized communication, the County will reject the Bidder's proposal.
- 2.2.3.2 All bidders who intend to submit a proposal in response to this RFP should send an email to lbutler@nhcgov.com including pertinent contact information. This will ensure that you receive all addenda issued for this RFP.
- 2.2.4 The deadline for receipt of all proposals is **Friday, November 14, 2014, at 5:00 PM, EST**. Any proposal received after the scheduled closing time for the receipt of proposals will not be accepted. **There will be no public bid opening for this solicitation.**
- 2.2.5 New Hanover County reserves the right to allow or disallow minor deviations or technicalities should the County deem it to be to the best interest of the County. New Hanover County shall be the sole judge of what is to be considered a minor deviation or technicality.
- 2.2.6 Should a bidder find discrepancies in, or omissions from the documents, or should he/she be in doubt as to their meaning, he/she should send an email to Lena Butler at lbutler@nhcgov.com. If necessary, the County will issue an addendum that will be posted to the website. The County will not be responsible for any oral instructions. Acknowledgment of any addendum received shall be noted on the proposal in the attachment provided. In closing of a contract, any addendum issued shall become a part thereof.
- 2.2.7 The County reserves the right to conduct discussions with bidders, and to accept revisions of proposals, and to negotiate price changes. During this period of

discussion, the County will not disclose any information derived from proposals submitted, or from discussions with other bidders.

- 2.2.8 Once an award is made, all proposals become public record and will be disclosed upon request. According to General Statutes 132 - 1.2, trade secrets contained in a bid may be kept confidential if the bidder, at the time the bid is submitted, designates the secret and requests that it be kept confidential. This right of privacy will be construed as narrowly as possible to protect the interests of the Bidder while attempting to maximize the availability of information to the public. Please note that a Bidder's price is not confidential information.
- 2.2.9 Bidders may withdraw or withdraw and resubmit their bid at any time prior to the closing time for receipt of bids. **NO** bid may be withdrawn after the scheduled closing time for receipt of bids for a period of sixty (**90**) days.
- 2.2.10 Bidders submitting proposals which meet the selection criteria and which are deemed to be the most advantageous to the County may be requested to give an oral presentation to a selection committee. The Tax Office will schedule oral presentations, if desired.
- 2.2.11 The award will be made to the responsible Bidder whose proposal is determined to be the most advantageous to the County based on the evaluation factors set forth in this Request for Proposal. Although price will be considered, it will not be the sole determining factor.
- 2.2.12 Proposals must be signed by an authorized individual of the firm. Proposals that are not signed will be rejected.
- 2.2.13 The County reserves the right to reject any or all proposals or any part thereof, or to accept any proposal, or any part thereof.
- 2.2.14 The Bidder is expected to enter into a contract with the County. The bidder may include a sample copy of his/her proposed contract for the appraisal services specified. All items in this RFP must be included in the contract.
- 2.2.15 Any person, firm, corporation or association submitting a proposal shall be deemed to have read and understood all the terms, conditions and requirements in the specifications and/or scope of work.
- 2.2.16 All proposals and accompanying documentation will become the property of New Hanover County at the time the proposals are opened. The County is not responsible for any costs incurred by the Bidder in its preparation of proposals or presentations given. All expenses incurred by the Bidder's pursuit of this award shall be borne by the Bidder.

- 2.2.17 Each bidder shall be required to supply a Bid Bond to accompany their submitted bid. The bond shall be an amount not less than five percent (5%) of the bid proposal. The Bid Bond may be submitted in the form of a certified or cashier's check or a bond underwritten by a surety licensed to do business in North Carolina. If the successful bidder fails to execute the contract within 10 days after the award or fails to give satisfactory surety as required, this deposit shall be retained. **The bid bond shall be in the form included with this RFP. Other forms will not be accepted.**
- 2.2.18 The successful bidder shall be required to provide performance and payment bonds executed by a surety company authorized to do business in North Carolina. The bonds shall be equal to 100% of the contract price. **The bid bond shall be in the form included with this RFP. Other forms will not be accepted.**
- 2.2.19 The County is exempt from and will not pay Federal Excise Taxes or Transportation Taxes.
- 2.2.20 If the bidder is required to charge North Carolina sales tax on bidder's sales, bidder shall not include it as part of the bid price. County will pay North Carolina sales tax over and above bid prices when invoiced.
- 2.2.21 The bidder's products, service and facilities shall be in full compliance with any and all applicable state, federal, local, environmental and safety laws, regulations, ordinances and standards or any standards adopted by nationally recognized testing facilities regardless of whether or not they are referred to in the bid documents.
- 2.2.22 Failure to comply with these provisions or any other provisions of the General Statutes of North Carolina will result in rejection of bid.
- 2.2.23 The successful bidder shall maintain insurance from companies licensed to write business in North Carolina, with an A.M. Best rating of A or higher, and acceptable to New Hanover County, of the kinds and minimum amounts specified below:

Commercial General Liability

- a. Successful bidder shall maintain Commercial General Liability (CGL) and if necessary, Commercial Umbrella Liability insurance with a total limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. If such CGL insurance contains a general aggregate limit, it shall apply separately to this project/location or the general aggregate shall be twice the required limit.
- b. CGL insurance shall be written on Insurance Services Office (ISO) "occurrence" form CG 00 01 covering Commercial General Liability or its equivalent and shall cover the liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising

injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

c. COUNTY, its officers, officials, agents, and employees are to be covered as additional insureds under the CGL by endorsement CG 20 10 and CG 20 37, or an endorsement providing equivalent coverage as respects to liability arising out of activities performed by or on behalf of bidder; products and completed operations of bidder; premises owned, leased or used by bidder; and under the commercial umbrella, if any. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its officers, officials, agents, and employees.

d. Bidder's Commercial General Liability insurance shall be primary as respects COUNTY, its officers, officials, agents, and employees. Any other insurance or self-insurance maintained by COUNTY, its officers, officials, agents, and employees shall be excess of and not contribute with CONTRACTOR's insurance.

Workers' Compensation and Employer's Liability

a. The successful bidder shall maintain Workers' Compensation as required by the general statutes of the State of North Carolina and Employer's Liability Insurance.

b. The Employer's Liability, and if necessary, Commercial Umbrella Liability insurance shall not be less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 each employee for bodily injury by disease, and \$1,000,000 policy limit.

c. The insurer shall agree to waive all rights of subrogation against COUNTY, its officers, officials, agents, and employees for losses arising from work performed by bidder for COUNTY.

Business Auto Liability

a. The successful bidder shall maintain Business Auto Liability and, if necessary, Commercial Umbrella Liability insurance with a limit of not less than \$1,000,000 each accident.

b. Such insurance shall cover liability arising out of any auto, including owned, hired, and non-owned autos.

c. Business Auto coverage shall be written on ISO form CA 00 01, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in ISO form CA 00 01.

d. The successful bidder's Business Auto Liability insurance shall be primary as COUNTY, its officers, officials, agents, and employees. Any other insurance or

self-insurance maintained by COUNTY, its officers, officials, agents, and employees shall be excess of and not contribute with bidder's insurance.

Professional Liability Insurance

a. The successful bidder shall maintain in force for the duration of this contract professional liability or errors and omissions liability insurance appropriate to bidder's profession. Coverage as required in this agreement shall apply to liability for a professional error, act, or omission arising out of the scope of bidder's services as defined in this contract. Coverage shall be written subject to limits of not less than \$2,000,000 per loss.

b. If coverage required in this contract above is written on a claims-made basis, the successful bidder warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this contract; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning from the time that work under the contract is complete.

Surety Bonds (Performance and Payment Bonds)

a. The successful bidder shall furnish and deliver to the County Performance and Payment Bonds covering the faithful performance and completion of the work included in this Agreement and payment for all materials and labor furnished or supplied in connection with the work included in this Agreement.

b. Said bonds shall be issued and furnished to County prior to, and as a condition precedent to, commencement of the work of this Agreement.

c. The Bonds shall be furnished on behalf of the successful bidder and shall name County obligee, and coverage shall be written in One Hundred Percent (100%) of the contract amount. Such bond(s) shall be solely for the protection of County.

d. The Bonds shall be issued by a surety of financial standing having a rating from A.M. Best Company equal to or better than A and must be included on the approved list of sureties issued by the United States Department of Treasury.

e. The bonds shall remain in effect at least one (1) year after the date when final payment becomes due.

f. The surety bond must be in the form set forth in NCGS 44A-33, without any variations there from.

g. The successful bidder shall provide surety bonds wherein Surety waives notice of any and all modifications, omissions, additions, changes and advance payments or deferred payments in or about the Contract, and agrees that the obligations undertaken by the Bond shall not be impaired in any manner by

reason of any such modifications, omissions, additions, changes, and advance payments or deferred payments.

h. The surety bonds must set forth no requirement that suit be initiated prior to the time stipulated in applicable North Carolina Statutes of Limitation.

Deductibles and Self-Insured Retentions

a. Any deductibles or self-insured retentions must be declared to and approved by COUNTY. At the option of COUNTY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects COUNTY, its officers, officials, agents, and employees; or successful bidder shall procure a bond guaranteeing payment deductibles or self-insured retentions.

b. The successful shall be solely responsible for the payment of all deductibles to which such policies are subject, whether or not COUNTY is an insured under the policy.

Miscellaneous Insurance Provisions

a. The policies are to contain, or be endorsed to contain, the following provisions:

b. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to COUNTY its officers, officials, agents, and employees.

c. Each insurance policy required by this contract shall be endorsed to state that coverage shall not canceled by either party except after thirty (30) days prior written notice has been given to COUNTY, 230 Government Center Drive #125, Wilmington, NC 28403.

d. If the successful bidder's liability policies do not contain the standard ISO separation of insureds provision, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage.

Acceptability of Insurers

Insurance is to be placed with insurers licensed to do business in the State of North Carolina with an A.M. Best's rating of no less than A VII unless COUNTY has granted specific approval.

Evidence of Insurance

a. The successful bidder shall furnish COUNTY with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements prior to commencing the work, and thereafter upon renewal or replacement of each certified coverage until all operations under this contract are deemed complete.

b. Evidence of additional insured status shall be noted on the certificate of insurance as per requirements in this Agreement.

c. With respect to insurance maintained after final payment in compliance with requirements, an additional certificate(s) evidencing such coverage shall be provided to COUNTY with final application for payment and thereafter upon renewal or replacement of such insurance until the expiration of the period for which such insurance must be maintained.

2.2.24 A draft contract is included in this RFP for review. The successful bidder will be required to execute the contract within 10 days after the award. If the successful bidder fails to execute the contract within 10 days after the award or fails to give satisfactory surety as required, the bid deposit shall be retained.

Section 3 Scope of Services

1. GENERAL INFORMATION

The New Hanover County Assessor is seeking proposals from qualified firms to conduct a reappraisal of all Residential, Agricultural, Commercial, Exempt and Industrial real property in New Hanover County for the **Tax Lien Date, January 1, 2017**. New Hanover County is contained within 328 square miles. The last reappraisal of real property in New Hanover County was done in house in 2012.

There are approximately 101,570 real property parcels consisting of:

- Residential – 89,500,
- Agricultural – 370,
- Commercial – 6500,
- Industrial – 1,250; and
- Exempt – 3,950

The Contractor is advised to inspect the proposed project site to judge for themselves the circumstances affecting the cost of the project and the staff and facilities necessary for successful completion of the project in the allocated time. Specifically, the Contractor should determine the physical and economic conditions existing in New Hanover County, the adequacy and completeness of the maps and records in the Land Records, and the facilities available to the Contractor in the performance of the work required on the reappraisal.

The New Hanover County Assessor wishes to enter into a fixed price agreement. All proposed costs must be delineated on the attached Cost Sheet and enclosed in a separate envelope clearly marked “Cost Sheet.”

2. PERIOD OF PERFORMANCE

The Contractor’s performance of its obligations will begin on or about **January 2, 2015** with the commencement of planning and other preparatory work, and the Contractor will be prepared to make delivery to the County as hereinafter provided for on **March 31, 2017**.

3. PROJECT PLAN

The Contractor will provide a project plan, acceptable to the Assessor, reflecting the Contractor’s management approach in completing the work called for in this RFP. At a minimum, this plan will show when the major tasks will start and finish, planned reviews of work associated with each major task, project completion date, and any other information that will assist in planning and tracking this project successfully.

4. PROJECT STATUS REPORT

The Contractor will submit a monthly status report to the Assessor indicating work activities completed, milestones achieved, problems encountered, assistance requested, and projections of work activities for the next month. These project status reports will be due by the **10th day of the month following the month being reported.**

5. CURRENT TECHNICAL ENVIRONMENT

New Hanover County is using a computer assisted mass appraisal (CAMA) system called iasWorld and Spatialest. Contractor must demonstrate competency on the use of the County’s current CAMA software.

6. GOVERNING DIRECTIVES AND GUIDELINES

In completing the work on this contract, the Contractor will be guided by the North Carolina Constitution, the North Carolina General Statutes, the North Carolina Department of Revenue as promulgated by North Carolina legislature, the standards developed by the International Association of Assessing Officers (IAAO), and USPAP Standard 6 for mass appraisal of real property, including the application of the three approaches to value (income, cost and market), as well as generally accepted mass appraisal procedures.

7. CONTRACTOR INSURANCE REQUIREMENTS

The Contractor will carry automobile, general liability, worker's compensation, and professional liability insurance in the minimum amounts as follows:

<u>Type</u>	<u>Amount</u>
General Liability	\$1,000,000
Auto Liability	\$ 1,000,000
Workers’ Compensation	Statutory Limit
Professional Liability	\$2,000,000

The Contractor shall indemnify and hold harmless the Assessor, the County Commissioners, its officers and all employees, from all claims, demands, payments, suits, actions, recovery, and judgments of any kind brought or recovered against it by reason of any act or omission of the Contractor, its agents, or employees in the execution of this reappraisal project.

8. CONTRACTORS QUALIFICATIONS

The proposal must describe the Contractor’s experience, capabilities, and financial stability. Of particular importance to the County is the Contractor’s experience in performing revaluations of similar size, and its ability to utilize and maintain the County’s current CAMA system.

The Contractor must provide the following information:

- Length of time the Contractor has been providing reappraisal services to local governments.
- Demonstrate the Contractor's experience working with large and complex jurisdictions of 60,000 parcels or greater.
- Description of the Contractor's organization, financial resources, staffing levels, and any other evidence of its ability to successfully complete the project.
- Three (3) references from jurisdictions containing 60,000 parcels or greater.

9. QUALIFICATIONS OF CONTRACTOR PERSONNEL

The Contractor shall use competent employees of good character in performing work on the contract. All employees will have sufficient aptitude training, experience and familiarity with the North Carolina real property reappraisal procedures, and indicate a familiarity with the County's current CAMA system.

Therefore the proposal must describe Contractor personnel resources in detail.

- Describe the number of employees available or anticipated to be relocated to the County project site by position, classification, and experience levels.
- Include the resumes of all appraisal personnel to be assigned to the project.
- Describe by position which personnel will be permanently assigned and those assigned on a temporary basis.
- Describe the degree and areas in which "new hires" will be used on the project and detail the training plan for "new hires."

The Contractor shall submit resumes of each person working on this contract. The resumes shall indicate the person's name, education, relevant training, courses completed during past five (5) years, and previous work experience related to real estate mass appraisal in North Carolina.

The following are minimum requirements for employees who will be working on the project.

The County requires that the assigned project manager has at least ten (10) years of practical appraisal experience involving project management on large and complex revaluations of 60,000 or more parcels. The project manager shall demonstrate competency and familiarity with the current CAMA system, appraisal process, property photo system, and geographic information system. The project manager will be assigned to New Hanover County exclusively for the duration of the project.

The Residential/Agricultural appraisers must have five (5) years mass appraisal experience, and the Commercial/Industrial appraisers must have eight (8) years mass appraisal experience. All

appraisers shall demonstrate a competency and familiarity with the current CAMA system, appraisal process, property photo system, and geographic information system.

All personnel assigned to the project will be subject to the approval of the County and will be removed from this project by the Contractor upon written recommendation of the Assessor. Additionally, the Contractor shall notify the Assessor in writing of all changes in supervision or key personnel. The notice shall include the reason for the change and provide a plan for immediate replacement.

10. IDENTIFICATION OF CONTRACTOR PERSONNEL

The Contractor's employees shall wear proper identification for all employees working in the County on the contract. At a minimum, photo identification badges will be required for each person along with the employee's personal data and Contractor name. Such identification must be clearly displayed on the outside clothing of all Contractor employees during field work and readily visible at all times when working on the New Hanover County project.

11. QUALITY CONTROL AND PROJECT INSPECTION

To maintain public support for the reappraisal, the County must be able to demonstrate to property owners that the project is being conducted in a highly professional manner. The Contractor will provide a quality control plan specifying the quality control procedures to be implemented by the Contractor.

The Contractor must submit monthly progress reports to the County. Progress reports will correspond to the work plan, including a percentage of completion for the project and each individual phase thereof.

The New Hanover County Assessor reserves the right to inspect the work being done by the Contractor at frequent intervals during the contract. The Assessor may assign one (1) or more personnel to work with the Contractor and provide any needed assistance to assure that the reappraisal objectives are achieved efficiently and effectively. At the Assessor's discretion, formal or informal meetings may be called to discuss the reports and to ensure ongoing communication between the Assessor and Contractor.

12. OFFICE SPACE RESPONSIBILITY OF THE CONTRACTOR

The Contractor will furnish office space, utilities, office furnishings, and office supplies necessary for the operation of the project office for the duration of the project. Telephones, fax machines, internet access, and telephone lines - as well as any resulting charges for installation and operation will be the responsibility of the Contractor.

13. CLASSIFICATION OF PROPERTY

The Contractor will identify each parcel of real property in accordance with the property class codes as established by the Assessor.

14. DATA ENTRY

The Contractor will be responsible for the data entry of parcel changes into the current CAMA system.

15. ANALYSIS TO BE PERFORMED

A. General

For the purposes of this RFP, the data collection, measurements and picture taking will be the responsibility of the County.

The Contractor will collect, record, and analyze general supporting data to serve as a basis for the development of guidelines for cost, market, and economic coefficients needed when applying the three (3) approaches to value.

The general supporting data to be analyzed will include cost data, lease data, economic data, and sales data.

The Uniform schedules of values, standards, rules and guidelines will be used in appraising real property at its true value and present-use value will be developed from this analyzed data will include replacement cost schedules, depreciation schedules, economic rent schedules, income capitalization rates, comparative property sale units, unit land values, and gross income multipliers.

The Contractor shall prepare The Uniform schedules of values, standards, rules and guidelines and deliver it to the Assessor for approval no later than August 26, 2016, showing the results of this comprehensive analysis. This shall contain a set of recommendations including a proposed pricing schedule prepared by the Contractor and encoded by the Contractor based upon existing tables in the current CAMA system and in a formal compatible with the County's current CAMA system. The pricing schedule will be based on a tax lien date of January 1, 2017.

This analysis will substantiate the differences between the pricing schedule as developed for the previous reappraisal of real property and the proposed pricing schedule. It should show appropriate differentiations as reflected by the market.

B. Cost Data

The Contractor shall be responsible for the development of preliminary and final pricing schedules for real property in New Hanover County. These pricing schedules will be

approved by the Assessor prior to establishing final values. The development of this pricing schedule shall involve a careful investigation of residential, commercial, industrial, exempt and agricultural property in New Hanover County.

After a careful investigation and analysis of this data, the Contractor shall develop an analyzed cost unit cost manual which shall be the basis upon which all real property in the County shall be priced. These unit costs are to include building contractor's overhead and profit, architect's and engineer's fees for all of the various classes of work requiring such services. The Contractor shall be required to furnish the County with the basis of the cost structure and it will be included in the final report submitted by the Contractor and encoded by the Contractor.

The Contractor will obtain recent construction costs in the County and compile, classify, and document cost data to support the formulation of replacement cost schedules.

The work to be performed by the Contractor in conjunction with the development and validation of the replacement cost schedules will include the following procedures, with the understanding that all are subject to approval by the assessor.

The Contractor will compile a report on actual building-in-place construction costs occurring in the County for the year preceding the tax lien date. The data required by analysts will be recorded on forms and will include the following:

- Parcel Identification
- Description; i.e., construction type, etc.
- Date of Construction
- Reported actual cost and source information
- Memoranda footnotes, remarks, etc.
- Average for various property class groupings, construction types, etc.
- A copy of a completed property record card showing the detailed description of the item, the replacement cost computations, and detailed cost data available. These costs will be verified with Marshall and Swift Costing manuals.

Once the cost schedule level has been selected and individual price components have been determined, a final check for validity will be done against actual sales. Final adjustments to depreciation will be applied if required. The end result will be market supported cost schedules.

C. Lease Data

The Contractor will investigate current leases in the County and compile, classify, and document lease data to support the development of guidelines for estimating net income potential of properties on the open market.

With the consent and assistance of the Assessor, the Contractor will request and attempt to collect specific lease data on leased properties to be appraised under the Agreement.

The data will be collected and recorded on income and expense disclosure forms designed to accommodate different property classification groupings. The income and expense disclosure form information will serve as a database from which to select comparable rents and from which to extract, classify, and analyze general data required to develop income and expense guidelines for various property types.

In developing income and expense guidelines, the data obtained through specific income and expense disclosures and recorded leases will be supplemented with general data obtained through the study and analysis of actual experience reported in national publications, as well as through interviews with local investors, property managers, real estate brokers, and appraisers. All data compiled will be referenced to source and documented in support of the guidelines developed.

D. Economic Data

The Contractor will make an investigation of prevailing economic determinants and practices underlying local property transactions. The Contractor will compile, classify, and document data on interest rates, equity requirements, loan terms, holding periods, and investment yields, sufficient to support the development and validation of income capitalization rates.

The source of the data will be the local marketplace, supplemented by trade publications, and augmented by the experience and knowledge of the Contractor.

E. Sales Data

The Contractor will examine recent sales involving the properties to be appraised and will field verify as appropriate. The County will continuously and concurrently provide copies of all sales information available to it with respect to transfers of parcels occurring from January 1, 2012, through the duration of the project.

The sales will be categorized by neighborhood and property classification, and will serve as the comparable sales database to accommodate the application of the market approach to value - through constrained multiple regression analysis and/or direct sales comparison.

The County will provide copies of all lease and economic data collected during the 2012 revaluation, as well as that data it receives during the project.

F. Neighborhood Delineation

Utilizing current established neighborhood boundaries, with appropriate modifications based upon sales analysis, the Contractor will update delineations throughout New Hanover County and submit the proposed changes to the Assessor for approval prior to use.

Neighborhoods should physically be delineated to reflect a high degree of homogeneity in governmental, social, economic, and physical characteristics. Neighborhoods are usually - but not necessarily - outlined by boundaries, either natural or man made. Delineation of neighborhoods will be done separately for residential/agricultural and commercial/industrial properties. For residential neighborhood boundaries, the appraiser will consider, at a minimum: man-made or natural obstructions; similarity of structures; quality of construction; price range; style of homes; desirability of the area; and recent market trends. The following additional items should be considered for commercial/industrial neighborhoods: traffic flow; class/use of properties; income ranges; rents; and zoning.

The Contractor will assign a unique number to each individual neighborhood. This number will be recorded on every parcel contained in that particular neighborhood, and will be used to determine land prices, select comparable sales, assign the appropriate income model, and to analyze market conditions versus Contractor's produced value estimations. On maps provided by the County, the Contractor will develop, identify, and record updated neighborhood boundaries with identification numbers that will be used to delineate neighborhoods throughout the County.

16. LAND VALUES

Once the neighborhood boundaries have been identified, experienced appraisers will analyze sales of vacant land in each neighborhood. In cases where the sample of vacant sales is inadequate, land residual techniques will be utilized.

Land tables will be built for each neighborhood based on a typical size for the area. Deviations from the norm will be adjusted using the appropriate incremental values derived from the market. Positive or adverse influences and various land breakdowns on use will be done at the parcel level. Factors which affect the value include such things as location, size, shape, topography, and access to railroads, roads, waterways, use and other things will be considered in establishing final values.

The allocation of land and building values will be derived from the market. A separate land value plus building value will equal total value. The Contractor will establish its opinion of unit land values – expressed in acreage, front foot, site, or square feet – throughout the various areas of New Hanover County.

Such values and the unit of comparison will be approved in writing by the County prior to being utilized. Once approved, the Contractor will load the new land rates into the current CAMA system.

Agricultural land will be valued by soil type and land capability class. The current land use breakdown and class will be recorded on the property record card. Acreage allocation to woods, waste, and tillable land will be reviewed as part of the valuation and cross checked. All of New Hanover County's agricultural use parcels must be classified as agriculture with the proper land use code.

17. VALUATION OF RESIDENTIAL PROPERTY

During the valuation phase the Contractor's reviewers will review each parcel; shall consider the data placed upon the property record card and determine that the structures have been properly described so as to assure the use of proper schedules for computing replacement cost new. The Contractor shall make a judgment as to the grade (quality) of construction and of the condition, desirability, and usefulness of each structure. Unit land values will be applied to each parcel and adjusted to account for the particular characteristics of the site. A qualified appraiser will make a determination on all judgmental factors which affect the Contractor's computation of its final opinion of value.

Market Valuation – The Contractor shall use the market approach in the County's CAMA system to value majority of the residential properties. The key to a good market approach is cleaning and maintaining the sales file. The primary emphasis in modeling is placed on calibrating models to provide reasonable adjustments to be applied to comparable properties.

Any programs, other than those existing on the County's current system that are required to complete the work called for on this contract will be supplied at the expense of the Contractor including development time, run time, analysis time and associated material/forms costs.

The Contractor should make the Assessor aware of any tried and proven programs that might enhance appraisal/analysis functions. If these programs are compatible with the County's current CAMA system and have been installed and tested in another county, the Assessor may have the Contractor arrange for a demonstration and subsequent purchase. Any purchase decision will be separately negotiated and executed outside the provisions of this contract.

18. VALUATION OF AGRICULTURAL PROPERTY

The purpose of this on site review is to assure proper assessment and the physical correctness of the land data contained in the property record card compared to the new soil type. In addition, the special attention will be given to outbuildings (OBY) separately and as to their functional utility to the whole property.

19. VALUATION OF COMMERCIAL PROPERTY

The income approach to value will be reserved for commercial and industrial properties and may utilize the direct capitalization of income and gross rent multipliers (GRM) to achieve market value. Properties normally valued like this include apartment complexes, hotel/motels, retail, offices, restaurants, and warehouses. The system-generated values will be based upon income, expense and capitalization models developed from an economic analysis of market indicators.

Data from several sources will be utilized, including actual rents from property surveys as well as industry publications and surveys with local realtors. Income and Expense form mailing will be another source.

The Contractor will deliver or mail all commercial property owners a statement for income and expenses, so as to determine the correct value on today's schedules, and shall make at least one attempt beyond the original delivery to secure the completion and return of that form. The form will solicit income and expense data from the prior three years of 1/1/13 through 12/31/15.

The Contractor will use the information supplied on these income and expense statements to develop an appropriate income and expense to be associated with each structure or type of structure in the County, to develop an appropriate capitalization rate for various kinds of commercial structures, and to apply the principles of the income approach to value for commercial structures on the reappraisal.

Once both an income approach to value and a cost approach to value has been developed, the Contractor will test the market and then conduct a comprehensive review using an experienced and knowledgeable reviewer who has the capability to appropriately apply functional and obsolescence factors on each parcel.

20. VALUATION OF INDUSTRIAL PROPERTY

Each parcel of industrial property will receive a physical inspection. In appraising industrial property, special consideration will be given to the use of the property by the occupant and the areas that are used at the time of the physical inspection will be recorded.

The Contractor will conduct a comprehensive analysis and determine any deviation from the norm for industrial structures located in New Hanover County. The Contractor will appraise all smaller industrial plants in a manner similar to commercial properties. For large structures, when necessary in the Contractor's opinion, a building by building typewritten and bound report, in duplicate, will be submitted. This report will include a component part description of fixed equipment taxable as real estate, as well as the building construction description.

21. COUNTY RESPONSIBILITIES

A. Ownership Updates

All transfers of real estate will be recorded and encoded by New Hanover County's staff so as to provide for the most current ownership on the date of printing property record cards or reports.

B. Sketches of Structures

The County will provide the Contractor with electronic copies of all property sketches for residential/agricultural properties. The County will provide the Contractor with paper copies of all property sketches for commercial/industrial properties.

C. County Tax Maps

The County will furnish copies of all tax maps to the Contractor upon request. Maps will be continually updated with current additions, deletions and changes at the cost of the County.

D. Record Availability

The records of previous appraisals will be available for review in the County's Appraisal office during normal business hours. The Contractor will not remove these records from the office without prior written approval. Sales analysis and sales data are available for three (3) previous years. Property record cards, produced by the County, will be utilized for field inspection, updates, deletion and encoding to New Hanover County's automated mass appraisal system.

E. Property Splits and Sales

The County Appraiser's Office will provide copies of any property splits, combinations, and annexations, transfers or divisions and the Contractor on a monthly basis shall update the reappraisal data base.

F. New Construction

New Construction is not part of this Request for Proposal and is the County's responsibility.

G. Demolished Property

Demolished property is not part of this Request for Proposal as is the County's responsibility.

H. Manufactured Homes

A list will be provided by the Assessor periodically to ensure that all mobile homes are included in either the real or personal property rolls.

I. Notice of New Assessment

The County is responsible for the mailing and postage of new assessment notices to all property owners.

22. DEFENSE OF VALUES

Due to the variable nature of the informal and formal hearings, the County requires the Contractor to detail in their RFP response how they propose to complete this requirement on the reappraisal. For the informal hearings, this should include the number of days and personnel to schedule appointments, conduct informal hearings with property owners, and provide

recommendations to the Assessor. The cost for this effort should be detailed on the “Cost Sheet.”

For formal hearings, a qualified appraiser, preferably the project supervisor for the Contractor, will be present at the Board of Equalization hearings conducted by the County following the completion of the work by the Contractor. This individual will assist in the settlement of any appeals by defending values determined by the Contractor’s appraisal.

In the event of an appeal at the Property Tax Commission or the Court of Appeals of any assessment based on the Contractor’s appraisal and at the request of the Assessor, the Contractor will furnish a qualified representative familiar with the project and experienced in court testimony to be present at the hearings to testify as an expert witness.

23. ASSISTANCE TO THE ASSESSOR

The Contractor recognizes and agrees that work done on the reappraisal program constitutes assistance to the Assessor in arriving at proper and fair valuations of real property in New Hanover County. Furthermore, all decisions regarding final assessed valuations of properties will be made by the Assessor.

24. CONFIDENTIALITY OF APPRAISAL DATA

The Contractor will assure that no individual on the Contractor’s staff will disclose any appraisal information to any individual, firm, organization or Contractor other than the Assessor.

Any data intended for public or private release shall be provided to the New Hanover County Tax Assessor.

25. TRAINING

The Contractor will be responsible for providing training throughout the duration of the reappraisal project. This training must be adequate to insure that the Assessor’s staff will be knowledgeable in the operation of all phases of the reappraisal project. The Contractor will also be responsible for training their personnel to appraise the real estate and maximize their usefulness and effectiveness on this project.

26. PUBLIC INFORMATION/ PUBLIC RELATIONS

Public information and public relations are an especially important part of the reappraisal program. The Assessor recognizes that adequate public understanding is essential to its successful completion and acceptance by the public.

It will be the responsibility of the Contractor to provide informational programs during this contract to communicate cost, price schedules, etc. to lenders, realtors, and school officials. These programs will be conducted at no additional cost in cooperation with the County.

27. PAYMENT TO THE CONTRACTOR

The Contractor will submit monthly invoices to the Assessor requesting payment for services rendered during the month covered by the invoice. These invoices, due by the 10th day of the month following the covered period, will reflect resources expended and costs incurred. The invoices must be itemized and provide sufficient data to permit the Assessor to correlate costs, as shown on the invoice, with progress and results achieved, as reflected in the project status report. If, after proper determination, the Assessor feels that the invoice and status report are not reflective of the work accomplished, the Assessor may refuse to approve payment until the discrepancy is corrected.

Any Contractor invoices approved for payment will be based upon completed work reports.

The County will hold ten (10%) percent of each billing on the project. The balance of the total fee shall be paid by the County to the Contractor after all Board of Equalization hearings.

28. LIQUIDATED DAMAGES

In the event that the appraisal and revaluation of all property herein required to be appraised and revalued is not completed by the date set forth in the contract, the sum of \$100.00 per day (Saturdays, Sundays, and Holidays excluded) shall be assessed against the Contractor, which said amounts shall be considered as liquidated damages for such delay in performance. Assessed amounts shall be deducted from the final payment of the compensation herein provided.

Also excluded from penalty payment by the Contractor are days lost due to Acts of God resulting in conditions that are beyond the Contractor's control

29. WORK PRODUCT DELIVERABLES

The Contractor will deliver the following products to the Assessor at the completion of this reappraisal:

- (1) Documentation of procedures used throughout the reappraisal;
- (2) Any and all training materials and training manuals used to train the Assessor's staff;
- (3) Four (4) copies of the detailed cost manual, including all supporting data used in the development of the manual;
- (4) All material and documentation used in the land valuation program, including all supporting materials; including land pricing maps;
- (5) Two (2) copies of updated, detailed report for each larger industrial property in the County.
- (6) Comparable sales information data;
- (7) Commercial property analysis sheets and income sheets;
- (8) Neighborhood established codes and delineation listing on a single map identified with taxing districts.

- (9) Copy of Contractor's quality assurance plan
- (10) Agricultural use pricing per acre on a single county map within taxing district.

Section 4 Bid Proposal Form

Name of Company: _____

The undersigned, as bidder, hereby declares that the only person or persons interested in this proposal as principal or principals is or are named herein and that no other person than herein mentioned has any interest in this proposal or in the contract to be entered into; that this proposal is made without connection with any other person, company or parties making a bid or proposal; and that it is in all respects fair and in good faith without collusion or fraud. The bidder further declares that he has examined the site of the work and the contract documents relative thereto, and has read all special provisions furnished prior to the opening of bids; that he has satisfied himself /herself relative to the work to be performed.

Improved Parcels
(88,370)

Vacant Parcels
(13,200)

PROJECT PHASES

Mass Appraisal

Percent

- Project Commencement

- Digital Image Collection & Load
- Data Entry/Quality Control
- Valuation Analysis
- Valuation Production
- Field Review of Values

Informals Process

- Mail Notices
- Schedule Appointments
- Conduct Informals
- Informals Resolution

<u>Fee</u>	<u>Fee</u>
<u>Fee</u>	<u>Fee</u>

Additional Administrative

Public Information
Training

Weeks

Rate

<u>Fee</u>	<u>Fee</u>
<u>Fee</u>	<u>Fee</u>

Formal Appeals

Board of Equalization
Property Tax Commission Appeals
Appeals Court

of Days

Rate

GRAND TOTAL

Addendum No. _____ Dated _____

Attachments to Proposal

1. Sample Certificate of Insurance (Verification of insurance limits)
2. Bid Bond

Signature

Printed Name/Title

Company _____

Address _____

City, State, Zip _____

Phone Number _____

Fax Number _____

Email Address _____

FORM OF BID BOND

KNOW ALL MEN BY THESE PRESENTS THAT _____ as principal, and _____, as surety, who is duly licensed to act as surety in North Carolina, are held and firmly bound unto **NEW HANOVER COUNTY** as obligee, in the penal sum of _____ DOLLARS, lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Signed, sealed and dated this ____ day of ____ 20__

WHEREAS, the said principal is herewith submitting proposal for and the principal desires to file this bid bond in lieu of making the cash deposit as required by G.S. 143-129.

NOW, THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION is such, that if the principal shall be awarded the contract for which the bid is submitted and shall execute the contract and give bond for the faithful performance thereof within ten days after the award of same to the principal, then this obligation shall be null and void; but if the principal fails to so execute such contract and give performance bond as required by G.S. 143-129, the surety shall, upon demand, forthwith pay to the obligee the amount set forth in the first paragraph hereof. Provided further, that the bid may be withdrawn as provided by G.S. 143-129.1

_____(SEAL)

_____(SEAL)

_____(SEAL)

_____(SEAL)

_____(SEAL)

FORM OF PERFORMANCE BOND

Date of Contract: _____

Date of Execution: _____

Name of Principal: _____
(Contractor)

Name of Surety: _____

Name of Contracting Body: NEW HANOVER COUNTY

Amount of Bond: _____

Project: REAPPRAISAL OF PROPERTY WITHIN NEW HANOVER COUNTY

KNOW ALL MEN BY THESE PRESENTS, that we, the principal and surety above named, are held and firmly bound unto the above named contracting body, hereinafter called the contracting body, in the penal sum of the amount stated above for the payment of which sum well and truly to be made, we bind, ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the contracting body, identified as shown above and hereto attached:

NOW, THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the contracting body, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

Executed in _____ counterparts.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Witness:

(Proprietorship or Partnership)

Attest: (Corporation)

By: _____

Title: _____
(Corp. Sec. or Asst. Sec. only)

(Corporate Seal)

Contractor: (Trade or Corporate Name)

By: _____

Title: _____
(Owner, Partner, or Corp. Pres. or Vice Pres. only)

(Surety Company)

Witness:

By: _____

Title: _____
(Attorney in Fact)

Countersigned:

(Surety Corporate Seal)

(N.C. Licensed Resident Agent)

Name and Address-Surety Agency

Surety Company Name and N.C.
Regional or Branch Office Address

FORM OF PAYMENT BOND

Date of Contract: _____

Date of Execution: _____

Name of Principal: _____
(Contractor)

Name of Surety: _____

Name of Contracting Body: NEW HANOVER COUNTY

Amount of Bond: _____

Project: REAPPRAISAL OF PROPERTY WITHIN NEW HANOVER COUNTY

KNOW ALL MEN BY THESE PRESENTS, that we, the principal and surety above named, are held and firmly bound unto the above named contracting body, hereinafter called the contracting body, in the penal sum of the amount stated above for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the contracting body identified as shown above and hereto attached:

NOW, THEREFORE, if the principal shall promptly make payment to all persons supplying labor/material in the prosecution of the work provided for in said contract, and any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Executed in _____ counterparts.

Witness:

(Proprietorship or Partnership)

Attest: (Corporation)

By: _____

Title: _____
(Corp. Sec. or Asst. Sec., only)

(Corporate Seal)

Contractor: (Trade or Corporate Name)

By: _____

Title _____
(Owner, Partner, or Corp. Pres. or Vice
Pres. only)

(Surety Company)

By: _____

Title: _____
(Attorney in Fact)

Witness:

Countersigned:

(N.C. Licensed Resident Agent)

Name and Address-Surety Agency

Surety Company Name and N.C.
Regional or Branch Office Address

(Surety Corporate Seal)

NORTH CAROLINA

PROFESSIONAL SERVICES AGREEMENT

NEW HANOVER COUNTY

THIS AGREEMENT made and entered into this _____ day of _____ 2014 by and between NEW HANOVER COUNTY a Political Subdivision of the State of North Carolina, hereto referred to "County"; and _____, a _____ hereinafter referred to as "Professional."

WITNESSETH:

That Professional, for the consideration hereinafter fully set out, hereby agrees with County as follows:

1. **Scope of Service.** County shall hire Professional to provide reappraisal services of all residential, agricultural, commercial, exempt and industrial real property in New Hanover County for the tax lien date, January 1, 2017, as more specifically described in the RFP, attached hereto as Exhibit "A," and incorporated herein by reference.

2. **Payment.** County agrees to pay Contractor, for the full and faithful performance of this Contract, an amount not to exceed _____ (\$_____) dollars, upon the full performance of the contracted services to County's satisfaction.

3. **Time of Performance.** Professional shall begin work or services on Notice to Proceed and all work or services shall be completed by midnight on March 31, 2017.

4. **Extra Work or Services.** County and Professional shall negotiate and agree upon the value of any extra work or services prior to the issuance of a County Change Order or Renewal/Amendment (CRA) form covering said extra work or services. Such Change Order or CRA shall set forth the corresponding adjustment, if any, to the Contract Price and Contract Time.

5. **Indemnity.** Professional shall indemnify and hold County, its officers, officials, agents, and employees, harmless against any and all claims,

demands, causes of action, or other liability, including attorney fees, on account of Contract or personal injuries or death or on account of property damages arising out of or relating to the work or services to be performed by Professional hereunder, resulting from the negligence of or the willful act or omission of Professional, its agents, employees and subcontractors.

6. Independent Contractor. The parties hereto mutually agree that Professional is an independent Contractor and not an agent of County, and as such Professional shall not be entitled to any County employment benefits, such as, but not limited to, vacation, sick leave, insurance, work or worker's compensation, or pension and retirement benefits.

7. Minimum Scope and Limits of Insurance

7.1 Commercial General Liability

7.1.1 Professional shall maintain Commercial General Liability (CGL) and if necessary, Commercial Umbrella Liability insurance with a total limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. If such CGL insurance contains a general aggregate limit, it shall apply separately to this project/location or the general aggregate shall be twice the required limit.

7.1.2 CGL insurance shall be written on Insurance Services Office (ISO) "occurrence" form CG 00 01 covering CGL or its equivalent and shall cover the liability arising from premises, operations, independent Contractors, products-completed operations, personal and advertising injury, and liability assumed under an insured Contract, including the tort liability of another assumed in a business contract.

7.1.3 County, its officers, officials, agents, and employees are to be covered as additional insureds under the CGL by endorsement CG 20 25 or an endorsement providing equivalent coverage as respects to liability arising out of activities performed by or on behalf of Professional; products and completed operations of Professional; premises owned, leased or used by Professional; and under the commercial umbrella, if any. The coverage shall contain no special limitations on the scope of protection afforded to County, its officers, officials, agents, and employees

7.1.4 Professional's CGL insurance shall be primary as respects County, its officers, officials, agents, and employees. Any other insurance or self-insurance maintained by County, its officers, officials, agents, and employees shall

be excess of and not contribute with Professional's insurance.

7.2 Worker's Compensation and Employer's Liability

7.2.1 Professional shall maintain Work or Worker's Compensation as required by the General Statutes of the State of North Carolina and Employer's Liability Insurance.

7.2.2 The Employer's Liability, and if necessary, Commercial Umbrella Liability insurance shall not be less than \$500,000 each accident for bodily injury by accident, \$500,000 each employee for bodily injury by disease, and \$500,000 policy limit.

7.2.3 The insurer shall agree to waive all rights of subrogation against County, its officers, officials, agents, and employees for losses arising from work or services performed by Professional for County.

7.3 Business Auto Liability

7.3.1 Professional shall maintain Business or Personal Auto Liability and, if necessary, Commercial Umbrella Liability insurance with a limit of not less than \$1,000,000 each accident.

7.3.2 Such insurance shall cover liability arising out of any auto, including owned, hired, and non-owned autos.

7.3.3 Business Auto coverage shall be written on ISO form CA 00 01, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide Contractual liability coverage equivalent to that provided in ISO form CA 00 01.

7.3.4 Professional's Business Auto Liability insurance shall be primary as respects County, its officers, officials, agents, and employees. Any other insurance or self-insurance maintained by County, its officers, officials, agents, and employees shall be excess of and not contribute with Professional's insurance.

7.4 Professional Liability Insurance

7.4.1 Professional shall maintain in force for the duration of this Contract professional liability or errors and omissions liability insurance appropriate to Professional's profession. Coverage as required in this paragraph shall apply to liability for a professional error, act, or omission arising out of the scope of

Professional's services as defined in this Contract. Coverage shall be written subject to limits of not less than \$1,000,000 per loss.

7.4.2 If coverage in this Contract is on a claims-made basis, Professional warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract, and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning from the time that work or services under the Contract is complete.

7.5 Deductibles and Self-Insured Retentions

7.5.1 Any deductibles or self-insured retentions must be declared to and approved by County. At the option of County, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects County, its officers, officials, agents, and employees; or Professional shall procure a bond guaranteeing payment of deductibles or self-insured retentions.

7.5.2 Professional shall be solely responsible for the payment of all deductibles to which such policies are subject, whether or not County is an insured under the policy.

7.6 Miscellaneous Insurance Provisions

7.6.1 The policies are to contain, or be endorsed to contain, the following provisions:

7.6.2 Any failure to comply with reporting provisions of the policies listed in this Contract shall not affect coverage provided to County its officers, officials, agents, and employees.

7.6.3 Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be canceled by either party except after thirty (30) days prior written notice has been given to County, 230 Government Center Drive #125, Wilmington, NC 28403.

7.6.4 If Professional's liability policies do not contain the standard ISO separation of insureds provision, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage.

7.7 Acceptability of Insurers

7.7.1 Insurance is to be placed with insurers licensed to do

business in the State of North Carolina with an A.M. Best's rating of no less than A VII unless County has granted specific approval.

7.8 Evidence of Insurance

7.8.1 Professional shall furnish County with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements prior to commencing the work or services, and thereafter upon renewal or replacement of each certified coverage until all operations under this Contract are deemed complete.

7.8.2 Evidence of additional insured status shall be noted on the certificate of insurance as per requirements in this Contract.

7.8.3 With respect to insurance maintained after final payment in compliance with requirements, an additional certificate(s) evidencing such coverage shall be provided to County with final application for payment and thereafter upon renewal or replacement of such insurance until the expiration of the period for which such insurance must be maintained.

7.9 Sub-Contractors. Professional shall include all sub-contractors as insureds under its policies or shall furnish separate certificates for each sub-contractor. All coverage for sub-contractors shall be subject to all of the requirements stated herein. CGL coverage shall include independent contractors' coverage, and Professional shall be responsible for assuring that all sub-contractors are properly insured.

7.10 Conditions

7.10.1 The insurance required for this Contract must be on forms acceptable to County.

7.10.2 Where circumstances warrant, County may, at its discretion subject to acceptance by the Risk Management and Finance Department accept letters of credit or custodial accounts in lieu of specific insurance requirements.

7.10.3 Professional shall provide that the insurance contributing to satisfaction of insurance requirements in this Contract shall not be canceled, terminated, or modified by Professional without prior written approval of County.

7.10.4 Professional shall promptly notify the New Hanover County Tax Department and the Risk Management Office at (910) 798-7497 of any accidents arising in the course of operations under the Contract causing bodily injury or property damage.

7.10.5 County reserves the right to obtain complete, certified copies of all required insurance policies, at any time.

7.10.6 Failure of County to demand a certificate of insurance or other evidence of full compliance with these insurance requirements or failure of County to identify a deficiency from evidence that is provided shall not be construed as a waiver of Professional's obligation to maintain such insurance.

7.10.7 By requiring insurance herein, County does not represent that coverage and limits will necessarily be adequate to protect Professional and such coverage and limits shall not be deemed as a limitation of Professional's liability under the indemnities granted to County in this Contract.

7.10.8 If Professional fails to maintain the insurance as set forth herein, County shall have the right, but not the obligation, to purchase said insurance at Professional's expense.

7.10.9 Professional or its agent may apply to County for approval of higher deductibles based on financial capacity and quality of the carrier affording coverage.

7.10.10 County shall have the right, but not the obligation of prohibiting Professional or any sub-contractor from entering the project site or withhold payment until such certificates or other evidence that insurance has been placed in complete compliance with these requirements is received and approved by County.

8. Standard Of Care. Professional shall exercise reasonable care and skill as might be expected from similarly situated professionals performing work or services of the kind required under this Contract at the time and the place where the services are rendered. The staff of and subcontracted professionals engaged by Professional shall possess the experience, knowledge and character necessary to qualify them to perform the particular duties to which they are assigned.

9 **Default and Termination.** If Professional fails to prosecute the work or services with such diligence as will insure its completion within the Contract time, or if Professional breaches any one of the terms and conditions contained in this Contract and fails to cure said breach within five (5) days of County mailing Notice of Default, County may terminate this Contract at the expiration of the fifth day after mailing such Notice of Default.

10. **Entire Contract.** This Contract constitutes the understanding of the parties.

11. **Termination for Convenience.** County may terminate this Contract for convenience at any time and without cause upon thirty (30) days prior written notice. Upon receipt of notice, Professional shall immediately discontinue the work or services and, If applicable, placing of orders for materials, facilities, and supplies in connection with the performance of this Contract.

12. **Non-appropriation.** All funds for payment by County under this Contract are subject to the availability of any annual appropriation for this purpose by the Board of Commissioners. In the event of non-appropriation of funds by the Board of Commissioners for the services provided under the Contract, County will terminate the Contract, without termination charge or liability, on the last day of the then-current fiscal year or when the appropriation made for then-current year for the services/items covered by this Contract is spent, whichever occurs first. If at any time funds are not appropriated for the continuance of this Contract, cancellation shall be accepted by Professional upon three (3) days prior written notice, but failure to give such notice shall be of no effect and County shall not be obligated under this Contract beyond the date of termination.

13. **Subcontracts.** The Professional shall utilize no subcontractors for carrying out the services to be performed under this Contract without the written approval of the County.

14. **Entire Contract.** This Contract constitutes the entire understanding of the parties.

15. **Binding Effect.** This Contract shall be binding upon the parties hereto, and their heirs, successors, executors, administrators and assigns.

16. **Further Actions.** The parties will make and execute all further instruments and documents required to carry out the purposes and intent of this Contract.

17. **Severability.** If any provision of this Contract is held unenforceable, then such provision will be modified to reflect the parties' intention. All remaining provisions of this Contract shall remain in full force and effect.

18. **Inclusive Terms.** Use of the masculine herein shall include the feminine and neuter, and the singular shall include the plural.

19. **Governing Law.** All of the terms and conditions contained herein shall be interpreted in accordance with the laws of the State of North Carolina.

20. **Notices.** All notices required hereunder to be sent to either party shall be sent to the following designated addresses, or to such other address or addresses as may hereafter be designated by either party by mailing of written notice of such change of address, by Certified Mail, Return Receipt Requested:

To County:

New Hanover County Tax Office
Attn: Roger Kelley
Tax Administrator
230 Government Center Drive
Wilmington, NC 28403

To Professional:

21. **Assignability.** The parties hereto agree that this Contract is not transferable and shall not be assigned by either party without the written consent of the other party to this Contract.

22. **Contract Under Seal.** The parties hereto expressly agree to create a Contract under seal.

IN WITNESS WHEREOF, the parties have hereunto affixed their hands and seals, the day and year first above written and by authority duly given.

NEW HANOVER COUNTY

[SEAL]

_____ County Manager

ATTEST:

Clerk to the Board

PROFESSIONAL

(SEAL)

Title _____

ATTEST:

Secretary

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Approved as to form:

County Finance Director

County Attorney

NORTH CAROLINA

NEW HANOVER COUNTY

I, _____, a Notary Public of the State and County aforesaid, certify that Teresa P. Elmore acknowledged that she is Interim Clerk to the Board of Commissioners of New Hanover County, and that by authority duly given and as the act of the Board, the foregoing instrument was signed in its name by its _____ Manager, sealed with its corporate seal and attested by herself as its Clerk.

WITNESS my hand and official seal, this _____ day of _____, 2014.

Notary Public

My commission expires: _____

NORTH CAROLINA

NEW HANOVER COUNTY

I, _____, a Notary Public of the State and County aforesaid, certify that _____, came before me this day and acknowledged that (s)he is President of _____ a _____ and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name as its President, sealed with its corporate seal.

WITNESS my hand and official seal, this _____ day of _____, 2014.

Notary Public

My commission expires: _____