



Request for Proposals (RFP)

Property Appraisal Services

SDPAA
208 Island Drive
Ft. Pierre, SD 57532

RFP Schedule	
Issuance of RFP:	9/9/2024
Submission of Questions about the RFP:	9/16/2024
Proposal Due:	9/23/2024
Anticipated Contract Award:	10/15/2024

**REQUEST FOR PROPOSALS
FOR
PROPERTY APPRAISAL SERVICES**

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I. INTRODUCTION

A. PURPOSE

The purpose of this Request for Proposals (RFP) is to solicit offers from qualified vendors to provide property appraisal services for the South Dakota Public Assurance Alliance ("SDPAA"). The SDPAA currently provides property coverage for over 481 Members including Counties, Municipalities, Conservation Districts, Townships and Special Purchasing Districts. These Members include in their assets approximately 9,100 different property locations representing a total property value at risk of approximately \$4 billion. All property is in South Dakota.

To properly protect these assets, the SDPAA considers it important to obtain current and professional valuations on these properties. Our Members are on a 5-year rotation to have their properties appraised. Under the current program, all structures and property in the open are valued or identified for valuation.

B. BACKGROUND

The SDPAA is a nonprofit organization that provides property coverage, as well as liability coverage and risk management services to South Dakota cities and counties and other public entities as defined by SD Statute. Based in Ft. Pierre, the SDPAA was formed in 1987. The SDPAA is sponsored by the SD Municipal League.

At present, there are approximately 711 structures covered by the SDPAA that have a value between \$250,000 to \$499,999 and 1,231 with a value of \$500,000 or higher.

II. SCOPE OF WORK

The successful vendor shall provide professional appraisal services. Specific duties will include, but not be limited to, the following:

1. Onsite physical inspection and appraisal of designated SDPAA Member properties by professionally trained staff with attention to and report comments on each of the following:
 - a. Basic COPE Data
 - b. Quality of construction
 - c. Number and height of building stories
 - d. Year built
 - e. Floor area

- f. All relevant additional features, such as HVAC, basement, plumbing, elevators, perimeter, sprinklers, mezzanines, balconies, and any other features which add value or pose special replacement costs
 - g. General overall condition, including specific comment on roofing conditions
2. Provide replacement cost values for each building or structure appraised. Building and structure values are understood not to include land values, foundations, underground piping (Unless specifically requested to include this value), but to include extra cost of construction in rural areas or other specialty multipliers.
3. Conduct historical or reproduction cost appraisals of buildings or structures on locations elected by the SDPAA.
4. Appraiser to provide comments in the appraisal report on any hazards that are seen on or in the structure such as vacancy, general housekeeping issues, building condition (repair or maintenance such as signs of a leaking roof), or presence of high hazard occupancy.
5. Location identification including address verification and corrections, as necessary. The final report is to include the existing SDPAA Member schedule location number together with any new appraiser-assigned location numbers if changes to site are needed.
6. Identify any locations owned by the SDPAA Members which are not presently on the SDPAA schedule. Appraise these locations as unscheduled property, providing the same information as required in item 1.
7. If not already described on the statement of values, include details of any additional items listed at building location such as pumps, generators, etc. are to be noted on the appraisal reports as features.
8. Report to include at least two digital color photos of each appraised building.
9. Global Positioning System location coordinates to be provided for each appraised building, as well as a physical location description to include number, street name (or in some cases intersection when no location number is available) and city.
10. Current flood zone codes are to be included on the report photo pages.
11. Well houses, pump stations, lift stations and treatment plant processes to include permanently installed operating equipment as part of the total building value.
12. Waste/Water Treatment Plants appraised on a "by process (structure)" basis.

13. If noted in the statement of values, underground piping values running from processes (structures) within a treatment plant are to be provided separately as a line item for the plant.
14. Detailed notes will be provided on each photo report page of significant information on the building explanation for large swing in value, building leased out (type of occupancy), etc.
15. The SDPAA provides property valuations to Members who are new to the property program. Currently, we secure a valuation within the first ninety (90) days of membership. Please provide your plan for appraisal of new Member property.
16. Provide current property trend data each year as requested to SDPAA Underwriting to use for structures not being appraised.
17. Separate report from the photo report page to compare scheduled values to new appraised ones that notes percentage of difference in value to use to spot-check large swings.

During each annual cycle of the appraisal process, SDPAA expects receipt of the following:

- Monthly status reports that include the following information:
 - a. Name of Member
 - b. State of progress (fieldwork complete; scheduled; not started)
 - c. Name of appraiser
 - d. Project start and finish date
 - e. Billing amount by building counts that will be charged to SDPAA

All appraisal work during a fiscal year (January to December) should be completed so that final reports for the appraised locations can be delivered to the SDPAA not more than 60 days from the date of the inspection. Upon completion of the appraisal work, the SDPAA expects the appraiser to distribute final reports to designated staff at the SDPAA and include:

1. A report delivered based on Member preference (printed, jump drive, or PDF) printed in a format with one location per page, containing no less information than described in the Scope of Services above, the differences in value report and
2. Electronically summarized appraisal data in a specific Excel spreadsheet format for each Member (format provided by SDPAA) to import appraisal data into our underwriting database.

III. SCHEDULE AND SUBMITTAL

A. RFP AND EVALUATION SCHEDULE

Issuance of RFP:	9/9/2024
Deadline to Submit Written Questions about the RFP:	9/16/2024
Proposal Due Date:	9/23/2024
Evaluation of Proposals, Finalists Selected:	9/27/2024
Finalist Interviews (if needed):	TBD
Anticipated Contract Award:	10/15/2024
Commencement of Contract:	As soon as possible, not later than 1/1/2025

B. SDPAA CONTACT PERSON

Lynn Bren, AIC SCLA
SDPAA Executive Director
208 Island Drive
Ft. Pierre SD 57532
Email: lbren.sdpaa@sdmunicipalleague.org
Phone: 605-254-6542

C. WRITTEN QUESTIONS

If proposers have questions about the RFP, they are encouraged to submit them as soon as possible, but no later than September 16, 2024. Questions must be in writing and may be e-mailed to the Contact Person above. The SDPAA will not be obligated to answer any questions received after the deadline, or any questions submitted in a manner other than as instructed above.

D. PROPOSAL SUBMITTAL

1. General

Proposals must be received by September 23, 2024. Any proposal received after this date and time will not be considered.

Delivery of proposals by the specified deadline is the sole responsibility of the Proposer. The SDPAA will not be responsible for, nor accept as a valid excuse, any delay the method of delivery used by the Proposer except where it can be established that the SDPAA was the sole cause of the late receipt.

2. Method of Submittal

The proposal must be submitted in electronic form in an email to the [Contact Person](#) above.

3. Evaluation Criteria

All proposals received in accordance with these RFP instructions will be evaluated to determine if they are complete and meet the requirements specified in this RFP. An award will be made to the Proposer whose offer is judged to be the most advantageous to the SDPAA and its Members. The SDPAA expressly reserves the right to reject all proposals and make no award under this RFP.

The following criteria will be considered in evaluating the proposals:

- Quality of the proposal, including an expressed understanding of the SDPAA's requirements;
- Qualifications;
- Experience, particularly with similar projects;
- References;
- Staffing & Project Organization;
- Work Plan/Technical Approach;
- Cost Schedule;
- Miscellaneous, including exceptions/deviations

IV. GENERAL INSTRUCTIONS

A. ORAL COMMUNICATIONS

Any oral communication by the SDPAA's Contact Person or designee concerning this RFP is not binding and shall in no way modify the RFP or the obligations of the SDPAA, a proposer or selected firm(s).

B. CHANGES TO RFP

If it is necessary to make material changes to the RFP, the SDPAA will e-mail written RFP addenda to all recipients of record of the original RFP and post such addenda on the SDPAA's website (www.sdpaaonline.org). Recipients of record are those parties to whom the SDPAA directly sent a copy of the RFP. Responses to written questions received by the specified deadline will be incorporated in an RFP addendum.

It is the responsibility of the proposer to inquire of the SDPAA as to any addenda issued. This may be done by checking the SDPAA's website or contacting the Contact Person prior to the proposal submittal deadline. All addenda issued shall become part of the RFP.

C. EXCEPTIONS / DEVIATIONS

Any exceptions to or deviations from the requirements set forth in this RFP must be declared in a separate element of the submitted proposal under the heading "Exceptions and Deviations."

D. AUTHORIZATION TO DO BUSINESS

Proposers must be authorized to do business in the State of South Dakota and in the local jurisdiction in which they are located or where the work will be performed.

E. PRE-CONTRACTUAL EXPENSES

The SDPAA shall not be liable for pre-contractual expenses incurred by a proposer in the preparation of its proposal and proposers shall not include any such expenses in their offers. Pre-contractual expenses are defined as expenses incurred by the proposer to: (1) prepare and submit its proposal to the SDPAA; (2) negotiate with the SDPAA on any matters related to this RFP; and (3) any other expenses incurred by a proposer prior to the date of award, if any.

Issuance of this RFP and receipt of proposals does not commit the SDPAA to award a contract. The SDPAA reserves the right to postpone the award for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one proposer simultaneously, or to cancel all or part of this RFP.

F. WITHDRAWAL; PROPOSAL IRREVOCABLE FOR 90 DAYS

A proposer may withdraw its proposal at any time prior to the submittal deadline by sending the SDPAA a request in writing from the same person who signed the submitted proposal. As of the deadline for submittal, any proposal received by the SDPAA and not withdrawn becomes an irrevocable offer available for acceptance by the SDPAA immediately and for 90 days thereafter. Proposers are responsible for the accuracy of their proposals and no allowance will be made for errors or price increases that a proposer later alleges are retroactively applicable.

G. DISPOSITION OF PROPOSALS

All materials submitted in response to this RFP become the property of the SDPAA, except for information identified by a proposer as being proprietary. A blanket statement that all contents of the proposal are proprietary will not be honored by the SDPAA. Please note that as a public entity, the SDPAA may be subject to South Dakota's public records laws, which may require the disclosure of information regarding proposals or a subsequent contract.

H. IMMATERIAL DEFECTS IN PROPOSAL

The SDPAA may waive any immaterial deviation or defect in a proposal. The SDPAA's waiver shall in no way modify the RFP documents or excuse a proposer from full compliance with the RFP if awarded the contract.

I. WRITTEN AGREEMENT

The proposer selected for contract award through this RFP shall be required to enter into a written agreement with the SDPAA governing the provision of professional services to the SDPAA Members and other eligible entities. The agreement will include pertinent terms and conditions set forth in this RFP and will reflect the proposer's offer or the outcome of contract negotiations. The agreement will also include, to the extent applicable, the provisions described in [Appendix A](#) and any terms or conditions added by addendum.

If it is necessary that the proposer enter into separate agreements with subcontractors to fulfill the terms of this contract, the SDPAA will not be a party to those separate agreements, nor in any fashion a guarantor or indemnitor of them. The SDPAA expects to be made aware of any staff who will be involved in the appraisal process.

J. TERM OF CONTRACT

If a contract is awarded through this RFP, it will be effective upon full execution of the agreement, which the SDPAA expects to be on or about October 15, 2024. No agreement with the SDPAA shall be in effect until a contract has been approved by the SDPAA Board of Directors or designee and has been signed by both parties.

K. NEWS RELEASES

News releases pertaining to any award resulting from this RFP may not be issued without the prior written approval of the SDPAA.

V. PROPOSAL FORMAT AND CONTENT

The proposal submitted in response to this RFP must contain the information required in Sections A through E below. Brevity is preferred. For the questions in Sections B through D, please precede your answers with a restatement of the question. If you intend to use any subcontractors in fulfillment of services, information should be furnished for both your firm and the subcontractors where appropriate.

Submitting general marketing materials about your firm in lieu of providing specific answers to questions will not be acceptable. If you wish to submit marketing materials, you should do so as a separate addendum rather than as part of the formal response.

A. COVER LETTER

All proposals must include a cover letter addressed to the [Contact Person](#) in Section III, B above. At a minimum, the cover letter must contain the following:

- Identification of the proposer, including business name, address, and telephone number.
- Name, title, address, telephone number, and e-mail address of a contact person during the period of proposal evaluation.
- Acknowledgment of RFP addenda received, if any.
- A statement that the proposal shall remain valid for a period of not fewer than **90 days** from the due date for proposals.
- Any exceptions to any specified criteria in this RFP.
- Identification of any information contained in the proposal which the proposer deems to be confidential or proprietary and wishes to be withheld from disclosure. A blanket statement that all contents of the proposal are confidential or proprietary will not be honored by the SDPAA.
- Signature of a person authorized to bind the offering firm to the terms of the proposal.

B. QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES

1. Furnish background information about your firm, including date of founding, legal form (i.e., sole proprietorship, partnership, LLC, corporation/state of incorporation), number and location of offices, principal lines of business, number of employees, days/hours of operation and other pertinent data. Disclose any conditions (e.g., bankruptcy or other financial problems, pending litigation, planned office closures, impending merger) that may affect your ability to perform contractually. Certify that the firm is not debarred, suspended or otherwise declared ineligible to contract by any federal, state, or local public agency.
2. Describe your firm's experience and qualifications for providing the required services to the SDPAA. Specifically highlight those qualifications that distinguish you from your competitors. The focus should be on recent experience within the last **5 years** that is relevant to the [Scope of Work](#) outlined in this RFP.
3. Describe the methodology proposed to be used for establishing values for various types and classes of properties.
4. Describe your firm's approach and methodology for estimating the values of buildings.
5. Describe your firm's experience, expertise, and approach to estimating "historical reproduction costs" for historically significant properties.

6. Describe your firm's experience, expertise, and approach to estimating replacement cost values for specialized municipal structures such as water or sewer treatment facilities, lift stations, court houses, traffic signals, and swimming pools.
7. Describe your firm's experience, expertise, and approach to estimating replacement cost values for electrical substation equipment, reservoirs, and water containment structures.
8. Provide a sample of the proposed reporting format, including the proposed format for electronic reporting.
9. Describe any functions which your proposal contemplates will be performed by SDPAA staff.
10. Describe in general terms the staff you'd anticipate assigning to this project and where those staff would be based.

C. STAFFING AND PROJECT ORGANIZATION

1. Identify the key personnel from your firm who would be assigned to this project. Include a brief description of the number of years with your firm, qualifications, professional certifications, job functions, current caseload, and office location(s). Designate an Engagement Manager who would be ultimately responsible for the relationship and a Project Manager who would provide day-to-day direction of the required work. Furnish brief resumes (not more than two pages long) for all key personnel; include these as an appendix, not in the body of the proposal.
2. If more than two people are assigned to the SDPAA's project, include a simple organization chart that clearly delineates communication and reporting relationships among the project staff.

D. WORK PLAN / TECHNICAL APPROACH

1. Describe in detail what information, documents, staff assistance, facilities or other resources you would require from the SDPAA or its Members to complete your work; declare any critical assumptions upon which your work plan is based.
2. Describe succinctly how your firm would accomplish the work and satisfy the SDPAA's objectives described in this RFP. If appropriate, divide the work into segments or tasks to represent milestones for measuring progress.
3. Describe the work products and other deliverables you would provide to the SDPAA and our Members. State the purposes for which the work products could be used and any limitations your firm would impose on their usage.

E. COST SCHEDULE

The Proposer's cost schedule must be submitted with the proposal.

All costs are to be contained in this schedule. For each service element, include a cost and state a grand total for all service elements. Include any applicable fees, such as administration fees.

The schedule should also include the method used to charge for any special requests, reports, or broadening of the scope of the work beyond that described in this RFP, including the methodology for extension of rates in subsequent contract years.

This section must also include payment terms required for services rendered and a preferred schedule of billing dates.

The fee is by structure. You may submit an alternative fee option, but a fee schedule by structure is required.

F. SAMPLE CONTRACT

Submit a sample of your standard agreement for services with your response. Required provisions for the agreement are described in [Section IV\(I\)](#) above and [Appendix A](#) below.

APPENDIX A – SDPAA CONTRACT CONSIDERATIONS

SDPAA contracts will be subject to the following standards. These are not exclusive and other contract clauses and provisions will obviously be applicable as well. However, these are areas respondents to the SDPAA's RFPs should be aware of in considering and preparing responses.

A. MANDATORY PROVISIONS:

1. Indemnity Provision. There shall be no provision requiring the SDPAA to indemnify contractor for contractor's acts or omissions. Indemnity provisions should be mutual and reciprocal. Our standard indemnity clause is as follows:

Contractor agrees to hold harmless, indemnify, and defend SDPAA, and its officers and employees from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from, arising out of, or related to the acts or omissions of Contractor or its officers, employees, subcontractors, or agents in performance of services pursuant to this Contract. SDPAA agrees to hold harmless, indemnify, and defend Contractor and its officers and employees from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature resulting from, arising out of, or related to the acts or omissions of SDPAA or its officers, employees, subcontractors, or agents pursuant to this Contract.

2. Independent Contractor Status. The following shall be included in SDPAA contracts:

Contractor shall perform the required services as an independent contractor and not as an "officer, employee, or agent" of SDPAA. Although SDPAA reserves the right to evaluate the quality of the service provided by Contractor, the SDPAA will not control the means or manner of Contractor's performance.

3. Governing Law and Venue. SDPAA contracts shall be subject to the laws of South Dakota and venue for any disputes arising out of the contractual relationship will be South Dakota. The contract shall include the following clause or the substantial equivalent:

This contract shall be governed by the laws of the State of South Dakota without regard to principles of conflicts of law. Any claim, action, suit or proceeding between the SDPAA and Contractor arising from or related to this contract shall be brought and conducted in the Circuit Court of Hughes County for the State of South Dakota; provided, however, if a claim must be brought in a federal forum, then it shall be brought in the U.S. District Court for the State of South Dakota.

4. Insurance. Except under special circumstances, and with the approval and consent of the SDPAA Executive Director, the following minimum insurance provisions shall be specified in the contract:

During the term of this contract, Contractor shall maintain in force insurance coverage compliant with the requirements listed below:

- a. Workers' Compensation in compliance with statutory requirements.
- b. Comprehensive General Liability insurance applicable to the services provided to the SDPAA, with a combined single limit, or the equivalent, of not less than \$2,000,000 each occurrence for Bodily Injury, Personal Injury, and Property Damage, including contractual liability coverage applicable to the indemnity provided under this contract.
- c. Automobile Liability insurance applicable to the operation of Contractor's trucks or automobiles with a combined single limit of not less than \$1,000,000 each accident for Bodily Injury and Property Damage, including coverage for owned, non-owned, and hired vehicles, as applicable.
- d. Notice of Cancellation or Change. There shall be no cancellation, material change, reduction of limits without 30 days prior written notice from the Contractor or its insurer(s) to the SDPAA.
- e. Certificates of Insurance. As evidence of the insurance coverages required by this contract, the Contractor shall provide acceptable insurance certificates to the SDPAA as soon as practicable upon written request by the SDPAA. If requested, complete copies of insurance policies, shall be provided to the SDPAA.

B. OTHER CONTRACT CONSIDERATIONS:

1. Limitations on Liability and Warranties. Responses to RFP's should include a description of any limitations on liability to either SDPAA or purported third party liability limitations contractor would propose to include in a contract with the SDPAA. These provisions are disfavored and will be a consideration in our review and comparison of RFP responses.
2. Termination. While termination provisions are negotiable, any provision that would not permit the SDPAA to terminate the contract with a reasonable notice period, without further obligation, would be strongly disfavored and allowed only with the consent of the Executive Director. Our preferred termination provision is as follows:
 - a. **This contract may be terminated at any time by mutual written consent of the Parties.**

- b. SDPAA may, at its sole discretion, terminate this contract, in whole or in part, upon thirty (30) days written notice to contractor. In the event of such a termination, the SDPAA agrees to pay Contractor the fees and expenses reasonably incurred prior to such termination.
 - c. SDPAA may terminate this contract immediately upon notice to Contractor, or at such later date as SDPAA may establish in such notice, if Contractor commits any material breach or default of any covenant, warranty, obligation or agreement under this contract, or fails to perform in a timely manner the services under this contract, and such breach, default, or failure is not cured within 10 business days after delivery of SDPAA's notice, or such longer period as SDPAA may specify in such notice.
 - d. Contractor may terminate this contract upon ten (10) days' written notice to SDPAA if SDPAA fails to pay Contractor pursuant to the terms of this contract and SDPAA fails to cure within thirty (30) days after receipt of Contractor's written notice, or such longer period as Contractor may specify in such notice.
3. Dispute Resolution. Mandatory arbitration provisions are disfavored. Our position is that alternative dispute resolution is encouraged, but arbitration should be undertaken only when both parties agree to it at the time of the dispute. If arbitration is undertaken, we would not consent to the rules and procedures of the American Arbitration Association. Other standard rules are available, or the parties can simply agree to rules and procedures as they deem appropriate. Provisions requiring mediation as a precedent to other legal action are acceptable.