

**AGREEMENT FOR
REAL ESTATE APPRAISAL SERVICES
RFQ 2017-306-1**

THIS AGREEMENT made and entered into this ____ day of _____, 2017, by and between the City of Lee's Summit, Missouri (hereinafter "City"), and **Shaner Appraisals, Inc. DBA Valbridge Property Advisors** (hereinafter "Service Provider").

WITNESSETH:

WHEREAS, City intends to have services for real estate appraisals; and

WHEREAS, Service Provider has submitted a proposal for appraisal services and standard fee schedule to perform said services; and

WHEREAS, the City Manager is authorized and empowered by City to execute contracts providing for real estate appraisal services; and

WHEREAS, City desires to enter into an agreement with Service Provider to perform the services as aforementioned; and

WHEREAS, Service Provider represents that the firm is equipped, competent, and able to undertake such an assignment.

NOW THEREFORE, in consideration of the mutual covenants and considerations herein contained, **IT IS HEREBY AGREED** by the parties hereto as follows:

**ARTICLE I
SCOPE OF SERVICES TO BE PROVIDED BY SERVICE PROVIDER**

Service Provider shall provide the following services to the City on an as-needed basis.

Perform real estate appraisals for the purposes of market value. All appraisals must be performed in accordance with the *Uniform Standards of Professional Appraisal Practice*.

Provide appraisals for Local, State and Federally funded projects.

Provide review appraisals for Local, State and Federally funded projects.

Negotiate and acquire right-of-way, easements and fee simple property.

Provide expert testimony in eminent domain cases as required.

**ARTICLE II
SERVICES TO BE PROVIDED BY MEMORANDUM OF AUTHORIZATION**

In the event Service Provider is engaged to provide services, City and Service Provider shall enter into a written memorandum of authorization describing (a) the scope of services to be provided by Service

Provider and City, (b) compensation to the Service Provider for services to be provided, (c) required deliverables or products from the Service Provider to the City, and (d) completion times for said services. The compensation to be paid Service Provider pursuant to any memorandum of authorization shall be at the rates set forth in Exhibit A attached hereto and incorporated herein by reference. In no event is any work in excess of that described in Article I above authorized by this Agreement without City and Service Provider first entering into a written modification.

ARTICLE III LIMITATIONS AND PROCEDURES RELATED TO ON CALL SERVICES

On-call services shall only be provided after written approval of the requested services is provided by the Department Director (or designee) of the Department requesting the services. Such approval shall only be given when sufficient budgeted amounts are available to cover the cost of the services. The city will issue a Purchase Order to authorize work.

ARTICLE IV PAYMENTS TO THE SERVICE PROVIDER

For the services performed by Service Provider pursuant to this Agreement, or any modifications thereto, and as full compensation therefore, and for all expenditures made and all expenses incurred by Service Provider in connection with this Agreement, or any modifications thereto, except as otherwise expressly provided herein, subject to and in conformance with all provisions of this Agreement, City will pay Service Provider according to the following provisions:

- A. The cost of all on-call services covered under Article I shall be billed at the rates set forth in Exhibit A attached hereto and incorporated herein by reference. Expenses incurred to provide the on-call services shall be billed as set forth in Exhibit A.
- B. The City shall make payment to Service Provider within a period not to exceed thirty (30) days from the date an acceptable and accurate invoice is received by City. All invoices shall contain the following information:
 - 1. Name or Description of Agreement/RFQ Number/Project and/or Task Name
 - 2. Invoice Number and Date.
 - 3. City Purchase Order Number.
 - 4. Itemized statement of labor (including personnel description, title or classification for each person on the project, hours worked, hourly rate, and amount), itemized reimbursable expenses, and invoice total.

All moneys not paid when due as provided herein shall bear interest at a per annum rate equal to one percent (1%) plus the average *Consumer Price Index for All Urban Consumers (CPI-U)-U.S. City Average* for the time period in which payment is past due; provided, however, that in no event will the amount of interest to be paid by the City exceed 9% per annum.

ARTICLE V TERM

The term of this Agreement shall be a one (1) year period from _____ through _____. City shall have the option to renew this Agreement at its discretion, for three (3) additional one-year periods. Three (3) months prior to expiration of the initial term or the first renewal term of this Agreement, Service Provider shall submit to City a proposal for increases in its billing rates and expenses to be in

effect for the following one (1) year term. Service Provider shall not be permitted to increase billing rates in any one (1) year renewal period in excess of the Employment Cost Index, Wages and Salaries, published by the U.S. Department of Labor, Bureau of Labor Statistics.

ARTICLE VI INSURANCE

Service Provider shall maintain at its expense the following insurance coverage during the period of the Agreement and will provide City with certificates of insurance on all required coverage prior to commencement of any services performed pursuant to this Agreement:

A. CERTIFICATE OF INSURANCE

The Service Provider shall secure and maintain, throughout the duration of this contract, insurance of such types and in at least the amounts that are required herein. Service Provider shall provide certificate(s) of insurance confirming the required protection on an ACORD 25 (or equivalent form). The City shall be notified by receipt of written notice from the insurer at least thirty (30) days prior to material modification or cancellation of any policy listed on the certificate(s). The City reserves the right to require formal copies of any Additional Insured endorsement, as well as the right to require completed copies of all insuring policies applicable to the project. The cost of such insurance shall be included in the Service Provider's rates.

B. NOTICE OF CLAIM

The Service Provider shall upon receipt of notice of any claim in connection with this contract promptly notify the City, providing full details thereof, including an estimate of the amount of loss or liability. The Service Provider shall also promptly notify the City of any reduction in limits of protection afforded under any policy listed in the certificate(s) of insurance in excess of \$10,000.00, whether or not such impairment came about as a result of this contract. If the City shall subsequently determine that the Service Provider's aggregate limits of protection shall have been impaired or reduced to such extent that they are inadequate for the balance of the project, the Service Provider shall, upon notice from the City, promptly reinstate the original limits of liability required hereunder and shall furnish evidence thereof to the City.

C. INDUSTRY RATING

The City will only accept coverage from an insurance carrier who offers proof that it is licensed to do business in the State of Missouri; carries a Best's policyholder rating of "A" or better; carries at least a Class VII financial rating or is a company mutually agreed upon by the City and the Service Provider.

D. GENERAL LIABILITY POLICY

Limits:

Each occurrence: \$250,000.00

General Aggregate: \$250,000.00

Policy must include the following conditions:

Bodily Injury and Property Damage

Insured Contract's Contractual Liability

Additional Insured: City of Lee's Summit, Missouri

E. AUTOMOBILE LIABILITY

Policy shall protect the Service Provider against claims for bodily injury and/or property damage arising out of the ownership or use of any owned, hired and/or non-owned vehicle and must include protection for either:

1. Any Auto

2. or all Owned Autos; Hired Autos; and Non-Owned Autos

Limits:

Each Accident, Combined Single Limits,
Bodily Injury and Property Damage: \$100,000/\$300,000

City of Lee's Summit, Missouri does NOT need to be named as additional insured on Automobile Liability

F. WORKERS' COMPENSATION: As required by law.

G. GENERAL INSURANCE PROVISIONS

1. The insurance limits outlined above represent the minimum coverage limit and do not infer or place a limit of liability on the Service Provider nor has the City assessed the risk that may be applicable to the Service Provider.
2. The Service Provider's liability program will be Primary and any insurance maintained by the City (including self-insurance) will not contribute with the coverage maintained by the Service Provider.
3. Coverage limits outlined above may be met by a combination of primary and excess liability insurance programs.
4. Any coverage provided on a Claims Made policy form must contain a 3-year tail option (extended reporting period) or the program must be maintained for 3-years subsequent to completion of the Contract.
5. Any failure on the part of the Service Provider with any policy reporting provision shall not affect the coverage provided to the City.
6. When "City" is utilized, this includes its officers, employees and volunteers in respect to their duties for the City.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

The following miscellaneous provisions are agreed to by both parties to this Agreement:

- A. COVENANT AGAINST CONTINGENT FEES: Service Provider warrants that Service Provider has not employed or retained any company or person, other than a bona fide employee working for the Service Provider, to solicit or secure this Agreement, and that Service Provider has not paid or agreed to pay any company or person, other than bona fide employee, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.
- B. OWNERSHIP OF DOCUMENTS: Payment by City to Service Provider as aforesaid in Article II shall vest in City title to all drawings, sketches, studies, analyses, reports, and other paper, documents, computer files, and material produced by Service Provider exclusively for the services performed pursuant to this Agreement up to the time of such payments, and the right to use the same without other or further compensation.
- C. MODIFICATIONS TO AGREEMENT: In the event of any changes in the scope of services contained in this Agreement, prior to commencing the services City and Service Provider shall enter into a modification of this Agreement or a Memorandum of Authorization describing the services to be provided by Service Provider and City, and the compensation and completion times for said services.

- D. **TERMINATION:** In the event of termination by City, if there are any services hereunder in progress but not completed as of the date of termination, then said Agreement may be extended upon written approval of the City until said services are completed and accepted.
1. **Termination for Convenience:** The services called for by this Agreement or any supplements thereto may be terminated upon request and for the convenience of City upon thirty (30) days advance written notice. City shall pay Service Provider for all services rendered up to the date of termination.
 2. **Termination for Cause:** This Agreement may also be terminated for cause by City or Service Provider. Termination for cause shall be preceded by a fourteen-(14) day correction period effective upon delivery of written notice. City shall pay Service Provider for all services rendered up to the date of termination. In the event of termination for cause by City, compensation for services rendered by Service Provider up to the date of termination shall be offset by City's reasonable cost to mitigate or correct the effects of such termination.
 3. **Termination Due to Unavailability of Funds in Succeeding Fiscal Years:** When funds are not appropriated or otherwise made available to support continuation of projects in a subsequent fiscal year, this Agreement shall be terminated and Service Provider shall be reimbursed for the services rendered up to the date of termination plus the reasonable value of any nonrecurring costs incurred by Service Provider but not amortized in the price of the services delivered under this Agreement.
- E. **COMPLIANCE WITH LAWS:** Service Provider shall comply with all Federal, State, and local laws, ordinances, and regulations applicable to the services. Service Provider shall secure all licenses, permits, etc. from public and private sources necessary for the fulfillment of its obligations under this Agreement. Compliance with Section 285.530.2, RSMo (E-verify enrollment), shall be required if applicable.
- F. **SUBLETTING ASSIGNMENT OR TRANSFER:** Service Provider shall not sublet, assign, or transfer any interest in the services covered by this Agreement, except as provided for herein and except with the prior written consent of City. The use of subcontractors shall in no way relieve Service Provider of his/her primary responsibility for the services. No approval will be necessary for non-professional services such as reproductions, printing, materials, and other services normally performed or provided by others.
- G. **CONFERENCES, VISITS TO SITE, INSPECTION OF SERVICES:** Upon reasonable advance notice and during normal business hours at Service Provider's place of business, representatives of City shall have the privilege of inspecting and reviewing the services being performed by Service Provider and consulting with him/her at such time. Conferences are to be held at the request of City or Service Provider.
- H. **INSPECTION OF DOCUMENTS:** Service Provider shall maintain all records pertaining to its services hereunder for inspection, upon reasonable advance notice and during normal business hours at Service Provider's place of business, by a City representative during the contract period and for three (3) years from the date of final payment for each individual project performed pursuant to this Agreement.
- I. **INDEMNIFICATION AND HOLD HARMLESS:** Service Provider shall indemnify and hold harmless City and its officers, employees, elected officials, and attorneys, each in their official and individual capacities, from and against judgments, damages, losses, expenses, including reasonable attorneys' fees, to the extent caused by the negligent acts, errors, omissions, or willful misconduct of Service Provider, or its employees, or subcontractors, in the performance of Service Provider's duties under this Agreement, or any supplements or amendments thereto.

- J. **LIMITATION OF LIABILITY:** In no event will City be liable to Service Provider for indirect or consequential damages, and in no event will City's liability under this Agreement exceed the amount to be paid to Service Provider pursuant to Article III of this Agreement.
- K. **PROFESSIONAL RESPONSIBILITY:** Service Provider will exercise reasonable skill, care, and diligence in the performance of its services in accordance with customarily accepted standards of practice. If Service Provider fails to meet the foregoing standard, Service Provider will perform at its own cost, and without reimbursement from City, the services necessary to correct errors and omissions that are caused by Service Provider's failure to comply with above standard, and that are reported to Service Provider within one year from the completion of Service Provider's services for each individual project performed pursuant to this Agreement.
- L. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties with respect to its subject matter, and any prior agreements, understandings, or other matters, whether oral or written, are of no further force or effect. This Agreement may be amended, changed, or supplemented only by written agreement executed by both of the parties hereto.
- M. **CONFLICT:** In the event of any conflict, ambiguity, or inconsistency between this Agreement and any other document that may be annexed hereto, the terms of this Agreement shall govern.
- N. **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.
- O. **TAX EXEMPT:** City and its agencies are exempt from State and local sales taxes. Sites of all transactions derived from this Agreement shall be deemed to have been accomplished within the State of Missouri.
- P. **SAFETY:** In the performance of its services, Service Provider shall comply with the applicable provisions of the Federal Occupational Safety and Health Act, as well as any pertinent Federal, State and/or local safety or environmental codes.
- Q. **ANTI-DISCRIMINATION CLAUSE:** Service Provider and its agents, employees, or subcontractors shall not in any way, directly or indirectly, discriminate against any person because of age, race, color, handicap, sex, national origin, or religious creed.
- R. **DELAY IN PERFORMANCE:** Neither City nor Service Provider shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions, floods, earthquakes, fire, epidemics, war, riots, and other civil disturbances, strikes, lockouts, work slowdowns, and other labor disturbances, sabotage, judicial restraint, and delay in or inability to procure permits, licenses, or authorizations from any local, State, or Federal agency for any of the supplies, materials, accesses, or services required to be provided by either City or Service Provider under this Agreement. Service Provider and City shall be granted a reasonable extension of time for any delay in its performance caused by any such circumstances. Should such circumstances occur, the nonperforming party shall within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of the Agreement.
- S. **NO THIRD-PARTY RIGHTS:** The services provided for in this Agreement are for the sole use and benefit of City and Service Provider. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than City and Service Provider.

T. NOTICE: Whenever any notice is required by this Agreement to be made, given or transmitted to any party, it shall be enclosed in an envelope with sufficient postage attached to ensure delivery and deposited in the United States Mail, first class, with notices to City addressed to:

City Engineer
City of Lee's Summit
220 SE Second Street
Lee's Summit, MO 64063

Director of Public Works
City of Lee's Summit
220 SE Second Street
Lee's Summit, MO 64063

and notices to Service Provider shall be addressed to:

Shaner Appraisals, Inc. DBA
Valbridge Property Advisors
10990 Quivira, Suite 100
Overland Park, KS 66210

or such place as either party shall designate by written notice to the other. Said notices may also be personally hand delivered by each party to the other, at the respective addresses listed above. If hand delivered, the date of actual completion of delivery shall be considered the date of receipt. If mailed the notice shall be considered received the third day after the date of postage.

THIS AGREEMENT shall be binding on the parties thereto only after it has been duly executed and approved by City and Service Provider.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the _____ day of _____, 2017.

CITY OF LEE'S SUMMIT

Stephen A. Arbo, City Manager

APPROVED AS TO FORM:

Nancy Yendes,
Chief Counsel of Infrastructure and Zoning

SERVICE PROVIDER:

Shaner Appraisals, Inc. DBA
Valbridge Property Advisors

BY: _____
Signature

VAIRG GOLDSCROWUGH
Print Name

ATTEST:

TITLE: _____
PRESIDENT

**CITY OF LEE'S SUMMIT
APPRAISAL SERVICES
EXHIBIT A - FEE SCHEDULE**

The fee schedule is broken down into two sections setting forth:

1. Per Tract Basis
2. Hourly Basis.

City staff shall have the discretion to determine which basis for compensation to use prior to the beginning of the project.

1. **Per Tract Basis (can vary depending on number of properties and complexity of assignment):**

For City funded projects:

\$400 to \$500 per single family residential appraisal

\$1,500 for value finding short form commercial appraisal

\$2,500 to \$3,900 per standard commercial appraisal

\$125 to \$275 (associate / principal) per hour for extra work as designated by City

For state and federal funded projects:

\$ 400 to \$500 per single family residential appraisal

\$1,500 for value finding short form commercial appraisal

\$2,500 to \$3,900 per standard commercial appraisal

\$125 to \$275 (associate / principal) per hour for extra work as designated by City

2, **Hourly Basis.**

A. **Personnel Hourly Rates:**

<u>Position</u>	<u>Rate/Hour</u>
Principal Appraiser	\$275
Associate Appraiser	\$125
Technician or other:	\$90

B. **Out of Pocket Expenses:** None anticipated assuming we receive appropriate documentation from the City. Reimbursement of out of pocket expenses at cost (maps, ownership documents, long distance phone calls, filing fees, etc.)

C. **Additional Services:** Any additional services required, including meeting attendance, negotiations beyond the specific scope, testimony or any other services will be compensated for at the hourly rates and reimbursement schedule.

Appraisal review (can vary based on number of properties and complexity of assignment):

\$750 for value finding short form commercial appraisal

\$1,250 to \$1,750 per standard commercial appraisal

Respondent Name: LG