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| U.S. Department  of Transportation  Federal Aviation  Administration | Appraisal Scope of Work |

**U.S. DEPARTMENT OF TRANSPORTATION**

**FEDERAL AVIATION ADMINISTRATION**

**Contract Number: *Assigned from Prism***

This contract is made and entered into this  day of  , 20\_\_ between the United States of America, herein after called the “the Government,” acting by and through the Federal Aviation Administration represented by the undersigned Real Estate Contracting Officer (RECO), and < *insert Appraiser’s Name*/ *Appraisal Firm’s Name>* , hereinafter called the “Contractor,” witnessed that the parties do hereby agree as follows;

# 1. Statement of Work:

Furnish one (1) signed pdf ( two (2)- copies if going to condemnation) along with two (2) signed hard copies of the appraisal report written with sufficient detail to support and justify the logic used to arrive at a credible estimate of value. The report must conform to the Uniform Standards of Professional Appraisal Practice (USPAP) effective January 1, 2016 and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA),Washington, DC*,* December 6, 2016*,* hereafter referred to as the “Yellow Book”.  The Yellow Book is the primary technical guide and there is to be included a statement of compliance with this guide in your certification.  Copies of the Yellow Book are available from the Department of Justice’s Internet web site at: <https://www.justice.gov/sites/default/files/enrd/legacy/2010/11/16/Uniform-Appraisal-Standards.pdf> or in printed format from the Appraisal Institute.  Additional assignment conditions and guidance are outlines in Exhibit A, Appraisal Standards and Guidance and Exhibit B, Appraisal Assignment Statement of Work (AASOW).

**2. Commencement and Delivery:**

The subject appraisal report shall be provided within *<Insert number of day>* calendar days after the Contractor receives written notice to proceed, thereby establishing the completion date of not later than <Insert month, day, and year of completion date>. Billings for services provided prior to the said commencement date will not be honored.

# 3. 3.4.1-7 - Notice to Proceed (April 1996):

The contractor shall not initiate work under this contract until it has received a notice to proceed in writing from the Contracting Officer.

# 4. Review:

The submitted report will be subject to a review by a qualified Review Appraiser for compliance with these instructions and the cited standards.  Findings of inadequacy may be identified by the Review Appraiser with the Contractor for correction within ten (10) working days of the review.  The Contractor’s value estimate will not be accepted for agency use without approval by a qualified Review Appraiser.

# 5. Consideration and Payment:

# In consideration of the performance of the undertaking under this contract, the Contractor shall be paid a sum of <Insert Dollar Amount $> which shall include all cost for supplies, materials, and equipment, travel and all other expenses incident to the preparation and delivery of the report. Payment shall become due after review and approval of the report and submission of properly certified invoice.

**6. Invoices**:

The Contractor’s invoice shall include the project title, Government contract number, description of the services rendered, number of hours worked, and dates worked. Please remit invoice to the RECO at the *Federal Aviation Administration, Attn: (Insert RECO Name), Real Estate & Utilities Group, ALO, (Insert Service Area Address)*.

# 7. 3.10.1-12 Changes - Fixed-Price (April 1996)

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

(1) Description of services to be performed.   
(2) Time of performance (i.e., hours of the day, days of the week, etc.).  
(3) Place of performance of the services.   
(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications.  
(5) Method of shipment or packing of supplies.  
(6) Place of delivery.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, the Contracting Officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.

(c) The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) If the Contractor's proposal includes the cost of property made obsolete or excess by the change, the Contracting Officer shall have the right to prescribe the manner of the disposition of the property.

(e) Failure to agree to any adjustment shall be a dispute under the "Disputes" clause. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

# 8. Invitation to Accompany:

Public Law 91-646 requires that the appraiser offer the property owner, or a designated representative, the opportunity to accompany the appraiser on the property inspection.  Documentation of the offer and response should be included in the report.

# 9. Testifying:

Upon the request of the United States Attorney for the Department of Justice, the Contractor agrees to testify as to the value of any and all of the property included in the appraisal report in any judicial proceedings involving the property or its value.  In consideration of the performance of the undertaking provided in this paragraph, the Contractor shall be paid at a rate not to exceed $\_\_\_\_\_\_ (amount to be filled in by RECO) per hour, which payment shall constitute full reimbursement to the Contractor for such services, and for any expenses incurred, including travel and subsistence.  Payment shall be made by the Department of Justice, in accordance with its prescribed regulation and procedures.

# 10. Confidentiality:

The content of the appraisal is the sole property of the Government. The Contractor shall not divulge any information concerning the appraisal to any person or entity other than the Real Estate Contracting Officer or his/her designee which has been made in writing.

# 11. Time Limit on Confidentiality:

The Contractor agrees that prior to the disposal by the Government of the property cited in this agreement, or three (3) years from the completion of the appraisal report covering the said property, whichever is the earlier, the Contractor and the employees of the Contractor will not, for the Contractor own account, negotiate for the property or perform services for others in connection with the said property unless written consent of the Real Estate Contracting Officer has first been obtained.

**12. 3.1-1** **Clauses and Provisions Incorporated by reference (July 2011)**

This screening information request (SIR) or contract, as applicable, incorporates by reference the provisions or clauses listed below with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make the full text available, or offerors and contractors may obtain the full text via Internet at: <http://conwrite.faa.gov>.

**3.1.9-1 Electronic Commerce and Signature (July 2013)**

**3.2.2.3-47 Permits and Responsibilities (July 2004)**

**3.2.2.8-8 Liquidated Damages - Supplies, Services, or Research and Development (October 2014)**

**3.2.4-34 Option to Extend Services (October 2014)**

**3.2.5-1 Officials Not to Benefit (April 1996)**

**3.2.5-2 Independent Price Determination (October 1996)**

**3.2.5-3 Gratuities or Gifts (January 1999)**

**3.2.5-4 Contingent Fees (October 1996)**

**3.2.5-8 Whistleblower Protection for Contractor Employees (April 1996)**

**3.3.1-15 Assignment of Claims (April 1996)**

**3.3.1-17 Prompt Payment (January 2017)**

**3.3.1-34 Payment by Electronic Funds Transfer- System for Award Management (August 2012)**

**3.4.1-10 Insurance - Work on a Government Installation (July 1996)**

**3.4.1-13 Errors and Omissions (July 1996)**

**3.4.2-6 Taxes - Contracts Performed in U.S. Possessions or Puerto Rico (October 1996)**

**3.4.2-7 Federal, State, and Local Taxes - Fixed-Price, Noncompetitive Contract (April 1996) *(For noncompetitive contracts use this clause and for competitive contracts use 3.4.2-8)***

**3.6.2-6 Previous Contracts and Compliance Reports (May 1997)**

**3.6.2-9 Equal Opportunity (August 1998) *(Over $10,000 – most appraisals range from $7500 - $15000)***

**3.6.2-13 Affirmative Action for Workers With Disabilities (October 2010) *(For contracts over $15,000)***

**3.6.2-39 Trafficking in Persons (October 2015)**

**3.6.3-16 Drug Free Workplace (March 2009)**

**3.6.3-23 Delivery of Electronic and Paper Documents (October 2014)**

**3.6.4-10 Restrictions on Certain Foreign Purchases** **(January 2010)**

**3.8.2-9 Site Visit** **(April 1996)**

**3.8.2-10 Protection of Government Buildings, Equipment, and Vegetation** **(April 1996)**

**3.8.2-18 Certification of Data** **(May 1997)**

**3.9.1-1 Contract Disputes (October 2011)**

**3.9.1-2 Protest After Award**

**3.10.1-7 Bankruptcy (April 1996)**

**3.10.1-9 Stop-Work Order (October 1996)**

**3.10.1-24 Notice of Delays (March 2009)**

**3.10.1-25 Novation and Change-Of-Name Agreements (October 2007)**

**3.10.4-4 Inspection of Services - Both Fixed-Price & Cost Reimbursement** **(April 1996)**

**3.10.6-1 Termination for Convenience of the Government (Fixed Price) (October 1996)**

**3.10.6-4 Default (Fixed-Price Supply and Service) (October 1996)**

**3.13-5 Seat Belt Use by Contractor Employees (October 2001)**

**3.13-13 Contractor Policy to Ban Text Messaging While Driving (January 2011)**

**3.13-15 Confidentiality of Data and Information (October 2011)**

**Attachments:**

* **Appraisal Standards/ Guidance**
* **FAA Project Statement of Work (SOW)**

# 13. Signatures:

The Government and the Contractor agree to the provisions of the contract as indicated by the signatures of their dully-authorized representatives.

< *Insert Appraiser/Appraisal Firm’s Name>*   United States of America

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                        \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Signature and date)                                          (Signature and date)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                       \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Official title)                                                     (Official title)

**EXHIBIT A**

**APPRAISAL STANDARDS AND GUIDANCE**

**The following items are intended to highlight specific areas of Yellow Book compliance, and are not intended to be all-inclusive. The Contractor is ultimately responsible for the compliance of the appraisal with both USPAP and Yellow Book Standards.**

# Appraisal Report:

* The property should be clearly identified on the front cover and title page of the appraisal report.
* The report should have an executive summary page which highlights the important factual data.
* The conclusion of value should be an estimated value per unit (acre/ sf) and per tract.
* The property legal description and survey drawing should be incorporated into the report.

# Contractor Personnel:

The qualifications of the appraiser and all individuals providing professional assistance to the appraiser must be included in the addenda of the appraisal report.

The appraiser(s) performing services shall be certified/ registered in accordance with Title XI of the 1989 Financial Institutions Reform, Recovery and Enhancement Act (FIRREA), Public Law 101-73.  That certification/registration shall not have been revoked, suspended, canceled or restricted.

# Definitions

Credible is defined in the 2016-2017, National Uniform Standards of Appraisal Practice (USPAP) as: “*Worthy of belief*”.

Market Value is defined by the Uniform Appraisal Standards for Federal Land Acquisitions as follows: “*Market Value is the amount in cash, or on the terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under and compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal*”.

As defined in The Dictionary of Real Estate Appraisal, Fifth Edition; Market Rent is; *The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, and expense obligation, term, concessions, renewal and purchase options, and tenant improvements (TIs).*

# Statement of Assumptions and Limiting Conditions:

In order to cite an Extraordinary Assumption, it must be required to develop a credible opinion or conclusion; there is reasonable basis for the extraordinary assumption; the use of the extraordinary assumption results in a credible analysis; the appraiser complies with disclosure requirements of USPAP and clearly disclosed it in a section of the report which is labeled as Extraordinary Assumption/s.

A Hypothetical Condition must first be a condition of the assignment, and second be clearly disclosed in an applicable section of the report distinctly labeled as Hypothetical Condition/s.

It is unacceptable to state that “the property has been appraised as if free and clear of all encumbrances except as stated in the body of the report”; all encumbrances **must** be identified in the Assumption/s and Limiting Conditions portion of the report.

Avoid “boilerplate” language that may not apply to the subject property.  Do not use this area to present unauthorized hypothetical conditions, assumptions or limiting conditions.  Adoption of uninstructed assumptions or hypothetical conditions may result in an estimate other than “as is” market value and thereby may invalidate the appraisal for government acquisition purposes.

# Scope of Work:

Report development should include the following, as appropriate:

Inspect, photograph, and research the subject property to identify dimensions, spatial relationships, nature of construction, observable conditions, and other physical, locational, and environmental factors affecting the subject;

Research and analyze data necessary to develop credible assignment results, including:

* Primary research with governmental authorities to identify applicable zoning, building code, taxation, utility availability, and deed and lease history;
* National and local sources of economic, demographic, and investment trends influencing real property value;
* Market participants in the Real Estate market including investors, brokers, developers, property managers and appraisers. Data may include the Contractor’s own data and files including market data, comparable sales, comparable rents, vacancy levels, operating costs, construction costs, depreciation rates, etc.;
* National and local real estate lending sources and market survey data to identify capitalization, discount, and lending rates for the assignment’s property type.

Determine the most probable Highest and Best Use of the subject based upon current and historical market behavior and conditions, and the most probable buyer of the subject in the current market. Hold for future development is not considered an acceptable Highest & Best Use;

Identify the larger parcel based upon its the most probable size (should correspond with the Highest and Best Use Analysis);

Research, select, inspect and select appropriate comparable sales based upon the indicated Highest and Best Use and identified larger parcel; independently verify sales comparable data;

Develop a credible opinion of value, and report the opinion in a USPAP/ Yellow Book compliant appraisal report;

Provide sufficient detail within the report for the reader to understand the context and logic used to arrive at the opinion of value, and arrive at the determination of damages or benefits if appropriate.

# Purpose of the Appraisal:

This report should comply with USPAP Standard’s Rule 2-2 and at a minimum state the client, intended user, intended use, real property interest appraised, definitions of value, the effective date and the report date. Your report will be used to facilitate decision-making by the Federal Aviation Administration (the Intended User of the report).  The subject property may be for a potential lease, easement or acquisition as defined in the assignment’s Statement of Work.

# Appraisal Standards:

The Uniform Standards for Professional Appraisal Practice (USPAP) require appraisers and clients to ascertain whether any supplemental standards, in addition to USPAP, apply to the assignment being considered.  This assignment will be completed in compliance with:

1. USPAP
2. Yellow Book
3. Assignment specific instructions

You are to complete this appraisal assignment in strict conformance with these instructions and standards.  It should be noted that in some cases these instructions might demand greater detail, discussion, and support than the requirements found in general specifications.  Include these instructions in the addenda of your report.

# Factual Data:

**Legal**: Cite the legal description(s) and descriptions of the estate to be appraised identical to the way they are supplied by FAA.  If for any reason these descriptions appear to be inaccurate or incomplete, notify the Real Estate Contracting Officer for a resolution.

**Area/ City and Neighborhood**: Discuss the area, city and neighborhood with an appropriate level of detail for a reader unfamiliar with the subject’s market to have basic understanding of the regional and local locational influencers.

**Site**: Describe the legal (zoning), physical, accessibility and visibility (if appropriate) to the subject in sufficient detail. Address the availability of utilities and or/ municipal services.

**Improvements**: Describe the property improvements; if the improvements are owned by the Government, you will describe the improvements as being owned by the Government.

**Use, Sales and Leasing History**: Describe the current use of the property, the 10-year history of all sales, offers to sell, current contracts and/ or options to sell. Describe the last sale of the property and its relevance to current market value regardless of the date of sale. Describe the leasing history for the past 3 or more years.

# Highest and Best Use:

The most probable Highest and Best Use of the subject should be based upon its current economic highest and best use, which is reflective of current and historical market behavior and conditions, and the most probable buyer of the subject in the current market. Hold for future development is not considered an acceptable Highest & Best Use;

The larger parcel should be based upon its most probable size and should correspond with the Highest and Best Use (see Yellow Book);

Unbiased, third party, independent research and analysis to ascertain the reasonably probable legal use(s) that maximize(s) the subject’s value is critically important, however, changes, such as zoning, cannot be assumed, and should be supported by market and economic evidence.

# Valuation

**Sales Data:** Independently verify all market data with one or more parties to the transaction (buyer, seller, or agent) relying on arm’s length transactions.  Cite and discuss any buyers or sellers motivations that warrant notation.

Personally visit and inspect each sale used in your analysis.

Present a uniquely named data grid/ sheet for each comparable used in the Sales Comparison Approach, the Income Approach, and/or in estimating depreciation rates in the Cost Approach. Naming should identify the comparable by the approach it supports to avoid confusion. Provide photographs and location maps adequate for specific identification and inspection purposes.  Appropriate comparable data and data elements should be used in the comparison grid.

Datum to consider in comparable selection and adjustment should include:  
- Zoning, present use, Highest & Best Use, and larger parcel size.  
- Market behavior, age of sale, location, size, physical characteristics (shape, terrain, flood), utility availability, other bundle of rights (water, air and mineral rights).

**Adjustment:**

1. Quantitative sales adjustments are preferred, and should be supported by paired sales analysis, statistical analysis, or other acceptable market data analysis techniques.
2. If inadequate market data is available to support quantitative adjustments, qualitative adjustments are acceptable.
3. Include a comparable adjustment grid summarizing adjustments and showing an estimated adjusted value for each comparable.
4. Discuss each element of comparison and its adjustment relative to each comparable and the subject.
5. Apply the federal rule, a/k/a “before and after method of valuation” to Partial Acquisitions. The Yellow Book Standard requires, with the exceptions noted in Yellow Book Section B-14, the application of the before and after methodology or the market value of the whole property before the government’s acquisition, the market value of the remainder property after the government’s acquisition and the estimation of damages (or benefits) to the remainder after the acquisition.

# Reconciliation

If more than one approach to value is used in the value analysis, a reconciliation section must be included in the report which explains how the appraiser has arrived at a final estimate of value.

# Appraiser Certification Statement

Each appraisal report must be accompanied by a signed Certification Statement. The certification must include the following statements:

• the appraisal was developed and the appraisal report was prepared in conformity with the *Uniform Appraisal Standards for Federal Land Acquisitions*;

• the appraisal was developed and the appraisal report prepared in conformance with the Appraisal Standards Board’s *Uniform Standards of Professional Appraisal Practice* and complies with USPAP’s Jurisdictional Exception Rule when invoked by Section 1.2.7.2 of the *Uniform Appraisal Standards for Federal Land Acquisitions*; and

• the appraiser has made a physical inspection of the property appraised and that the property owner, or [his][her] designated representative, was given the opportunity to accompany the appraiser on the property inspection.

The following is a recommended example of a USPAP/ Yellow Book compliant Certification Statement.

Appraiser Certification:

I certify that, to the best of my knowledge and belief;

* The statements of fact contained in the report are true and correct.
* The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analysis, opinions, and conclusions.
* I have no *(or the specified)* present or prospective interest in the property that is the subject of this report and no *(or the specified)* with respect to the parties involved.
* I have performed no *(or the specified)* services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding the acceptance of this assignment.
* I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
* My engagement in this assignment was not contingent upon developing or reporting predetermined results.
* My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
* The appraisal was developed and the appraisal report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions;
* The appraisal was developed and the appraisal report prepared in conformance with the Uniform Standards of Professional Appraisal Practice and complies with USPAP’s Jurisdictional Exception Rule when invoked by Section 1.2.7.2 of the Uniform Appraisal Standards for Federal Land Acquisitions; and
* The appraiser has made a physical inspection of the property appraised and that the property owner, or *[his][her]* designated representative, was given the opportunity to accompany the appraiser on the property inspection.
* No one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated.)

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Appraisers Name Certification/ Designation Date