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| **BUREAU OF FISCAL SERVICES** **Procurement Unit** |  |  |

**Request for Information (RFI) 15-600**

**Real Property Appraisal Services**

**THIS IS NOT A SOLICITATION**

June 23, 2016

The New York State Department of Taxation and Finance (the “Department” or “DTF”) is requesting qualified vendors to supply the Department with information pertaining to the availability of real property appraisal services for the following list of property types: commercial, farm, forest, industrial, residential, public utility, and vacant land.

This is a request for information only. This RFI is issued solely for information and planning purposes – it does not constitute a Request for Proposals (RFP) or a promise to issue an RFP in the future. Responders are advised that the Department will not pay for any information or administrative costs incurred in response to this RFI. All costs associated with responding to this RFI will be solely at the responders’ expense. Not responding to this RFI does not preclude participation in any future RFP, if issued.

**Timeline**

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| **Event** | **Date** |
| Issuance of RFI | June 23, 2016 |
| Deadline for Submission of Vendor Questions | July 7, 2016 |
| Department’s Response to Vendor Questions | July 14, 2016 |
| Vendor Response Due | July 28, 2016 |

**RFI Questions**

The vendor community will have an opportunity to submit written questions regarding this RFI. All questions regarding this RFI should be submitted via e-mail (preferred), fax or mail and should be received by the date specified in the timeline. Questions received after this date may not be responded to.

All questions should be submitted via e-mail (preferred), fax or mail:

E-mail: bfs.contracts@tax.ny.gov

Fax: (518) 435-8413

Written Correspondence:

New York State Department of Taxation and Finance

Office of Budget and Management Analysis

Procurement Services Unit

W.A. Harriman State Campus

Albany, NY 12227

The Department will provide a written response to all questions received by the date specified in the timeline. Responses to Vendor questions will be posted on the Department’s Procurement website at:

<http://www.tax.ny.gov/about/procure/>.

**NYS Department of Taxation and Finance Background**

The Department of Taxation and Finance is responsible for the collection of tax revenue and the provision of associated services in support of government operations in New York State. In fulfilling its responsibilities, the Department collects and accounts for approximately $68 billion in State taxes and $35 billion in local taxes; administers 37 state and ten local taxes, processes almost 42 million returns, registrations, and associated documents; and oversees the local property tax administration. The Department also manages the New York State Treasury, which provides investment and cash management services to various state agencies and public benefit corporations, and acts on the Commissioner’s behalf as the joint custodian of the State’s general checking account.

**Description of the Office of Real Property Tax Services**

The Office of Real Property Tax Services (ORPTS), a division within the Department, oversees local property tax administration. This division works directly with county and municipal officials to improve the fairness of property assessments.

Each year ORPTS appraises a random sample of properties, selected from local assessment rolls, as part of the Department’s Full Value Measurement (FVM) program. The FVM program is used to establish the full values, based on markets, for each assessing unit in the State. Assessing units are mostly towns and cities, but there are a few that are made up of multiple towns which are called Coordinated Assessment Programs (CAPS.). In such cases, full value estimates for the CAPs are developed, and not individual municipalities that comprise each CAP. The appraised values are utilized in the establishment of equalization rates for taxing jurisdictions throughout New York State.

ORPTS’ FVM program is broken down into three (3) distinct phases. DTF is anticipating a contractor to complete Phase 1 and Phase 3 only, while the Department is responsible for Phase 2.

**Objective**

The Department is seeking information related to the availability of vendors to provide the services described in Phase One and Three mentioned below.

**Phase One (To Be Completed By Vendor)**

The first phase involves data collection, where data for the selections (subjects) and any supporting sales are inventoried in the field using [Data Collection Manuals](https://www.tax.ny.gov/research/property/assess/manuals/assersmanual.htm) for reference. The Data Collection- Commercial – Public Version Manual is used for both commercial and industrial properties; the Data Collection – Residential, Farm Vacant Land Manual is used for those three property types; and the Data Collection – Forestry Manual is used for forest lands.

At the onset of data collection, copies of local assessment inventories and/or any existing ORPTS inventories are gathered and are used as a starting point to be either verified, amended or collected from scratch, based on the needs determined during field inspections. In addition to these documents, copies of: tax maps, aerial shots of improvements and land, blank comment sheets for notes, and sales web report for sales, are assembled prior to going into the field.

The field work for all subjects and sales requires an attempt to contact and interview the owner or other person(s) familiar with the real estate. Industrial and public utility property field work is scheduled by appointment only and interviews must be made. For commercial, farm, residential, and vacant land properties, “cold call” contacts are attempted while in the field and may require more than one visit. Contacts are not necessary for vacant land properties and more than one visit is not required. For forestry properties, field visits are conducted after gaining permission to “walk the land,” usually via phone calls to the property owners. If contact for a subject cannot be made and the inventory cannot be adequately recorded, an alternate selection would be required.

During interviews, the appraiser verifies the inventories as of the taxable status date (the date the inventory reflects) for subjects or as of the sale date for sales, and also records any atypical factors that may influence sale prices. Based on the gathered information, the appraiser determines if the subjects are valid candidates to sample or if they need to be rejected and alternate properties chosen. The reasons for rejecting selections are listed and defined in the FVM procedures each survey year.

The appraiser must ask for access to the property and provided it is granted, the field work also involves taking pictures, measuring all improvements, inventorying all real estate, observing the immediate surroundings (including all road frontage and neighborhood characteristics), and completion of a notes document for commercial, farm, residential and vacant land properties. Notes are recorded in the appraiser’s work files for industrial, forestry and public utility properties. If the inventory for a subject cannot be adequately recorded, an alternate selection would be required.

When the field work is completed the data needs to be entered into ORPTS’ Real Property System (RPS). Instruction on how to enter data into the RPS will be provided by ORPTS staff. Afterwards, edits are run and any abnormalities are either determined to be acceptable or corrected as needed by the appraiser. Land schedules or other value-based schedules are assembled by the appraiser, based on the market data collected, and are provided to ORPTS analysts who will enter the schedules and run the valuation programs.

**Phase Two (To Be Completed By The Department)**

The second phase is the mass appraisal valuation stage. Since this phase involves ORPTS RPS valuation software, it is completed by an ORPTS analyst who is familiar with the mass valuation programs. The OPRTS analyst does not necessarily have knowledge of the market influences in the municipality in which they are running the programs. Therefore, it is critical that the appraiser who completes the data collection phase provides both adequate and valid market information to the analyst for mass valuation. In this phase some of the documentation necessary for valuation is produced. The documentation varies depending on property type and may include (but not be limited to): cost documentation, comparable sales documentation and/or market and income documentation with turnaround reports. These documents do not reflect the final valuation of the selections, but rather are used to assist the appraiser when formal valuation occurs.

**Phase Three (To Be Completed By Vendor)**

The third phase is the desk review phase, not to be confused with the appraisal review process. The phase includes not only a review of the mass appraisal documentation produced in the second phase, but also the development of all formal valuation and supporting documentation used in the derivation of the final land and final total values. The valuation work varies by property type and a summary of what is required can be found on the Exhibits attached to this RFI.

The review phase needs to be completed by the same appraiser who completed the data collection phase. A second field visit is not required but can be completed if necessary. The three approaches to value (cost, comparable sales and income) should be considered for commercial, industrial and public utility properties. Non-generation public utility properties must be valued using the Reproduction Cost New Less Depreciation (RCNLD) Approach to value. For farm, forest, residential and vacant land properties, only the consideration of cost and comparable sales approaches are required. Final land (when necessary) and final total values are produced for all survey selections during the review phase.

The details of what is required for appraisal products vary by property type and are summarized in Exhibits 2 through 8 of this RFI. There are three important things to note first that apply to all property type appraisals:

* First, the appraisals are completed retrospectively. There are four pertinent years, dates or date ranges to consider when appraising for a market value survey: the measured roll year, the valuation date, the taxable status date, and the sales date range. The measured roll year is two (2) years prior to the survey year; the valuation date is July 1st of the roll year; and the taxable status date is March 1st of the roll year. As an example, for the 2017 Full Value Measurement, the measured roll year is 2015, the valuation date is 7/1/2015, and the taxable status date is 3/1/2015. The inventory valued reflects what existed on the taxable status date and the appraiser’s conclusions reflect those as of the valuation date. The sales date range is typically the immediate three (3) years prior to the valuation date but can include up to five (5) years prior, depending on sales availability.
* Second, there is a Jurisdictional Exception that must be abided. All property types other than vacant land must be valued considering “current use” rather than “highest and best use.” Most of the selections for the above property types are valued considering current use. However, if during a field inspection of a non-vacant land property, the appraiser determines it should be classified as a vacant land property, then the value will need to reflect highest and best use. Vacant land selections need to be valued considering highest and best use only.
* Third, certain selected subjects need to be combined with other parcels, into economic units, in order to be valued appropriately. This could be due to amenities that they share with the other parcels or in other circumstances, due to assessment practices that cause the inventory of the selection to be undeterminable without being combined. For example, a selection that has part of a building on it with the other part on an adjoining parcel would have to be valued as an economic unit. To value an economic unit, all parcels that comprise it are valued as one. Then the value of the original selection is synthesized by multiplying the economic unit value by the proportion of the selection’s assessed value, divided by the economic unit’s assessed value. Although multiple parcels are included in an economic unit, it is considered a single appraisal.

**RFI Response**

The Department is asking Vendors to complete the attached Matrix and provide any additional applicable information that may help the Department during its research of these services. Please respond to this RFI by July 28, 2016. Be sure to provide the name, location, contact person, phone number and e-mail address for your company.

Your response to this RFI should be submitted via e-mail (preferred), fax or mail:

E-mail: bfs.contracts@tax.ny.gov

Fax: (518) 435-8413

Written Correspondence:

New York State Department of Taxation and Finance

Office of Budget and Management Analysis

Procurement Services Unit

W.A. Harriman State Campus

Albany, NY 12227

A response does not bind or obligate the responder or the Department to any agreement of provision or procurement of any products referenced.