

UTAH COUNTIES INDEMNITY POOL

Request for Proposal (RFP) ***for*** ***BUILDING APPRAISAL SERVICE PROJECT***

I. NOTICE

The **Utah Counties Indemnity Pool (UCIP)** will be accepting Proposals for the purpose of contracting with a qualified Certified Appraiser to perform building appraisal services for UCIP on a project basis.

Proposals must be received by the Chief Executive Officer of UCIP no later than 5:00 PM, April 13, 2012. Failure to deliver Proposal on time may result in rejection of the Proposal at UCIP's discretion.

Inquiries regarding this Request for Proposal should be directed in writing to:

Johnnie R. Miller, CEO
Utah Counties Indemnity Pool
P.O. Box 95730
South Jordan, UT 84095
801-565-8500
jmiller@ucip.utah.gov

II. GENERAL INFORMATION

Utah Counties Indemnity Pool (UCIP or the Pool) is an interlocal entity formed under UCA 11-13-101 et seq., as amended, made up of 26 of the 29 counties in Utah and several service districts and interlocal agencies. All of the pool's business is conducted in the state of Utah.

UCIP pools property risks of its members in its Multiline Program. The total number of insured buildings is 1,816, with an estimated real property value of \$1,362,138,154. A summary breakdown of buildings and values by member is as follows:

MEMBER	2012 BUILDING VALUES	NUMBER OF BUILDINGS	LAST APPRAISAL
Beaver	27,568,057	20	2009
Box Elder	27,262,517	49	2009
Cache	46,694,004	40	2008
Carbon	53,505,146	107	2008
Daggett	8,336,220	32	2010
Davis	154,302,306	66	2008
Duchesne	24,915,510	48	2010
Emery	31,840,813	99	2010
Garfield	20,215,037	30	2008
Iron	44,681,221	64	2009
Juab	22,346,283	44	2009
Kane	39,847,345	30	2009
Millard	47,284,436	100	2009
Morgan	12,611,800	46	2008
Piute	4,675,737	10	2010
Rich	3,358,249	8	2008
San Juan	22,066,680	67	2010
Sanpete	21,603,222	35	2010
Sevier	28,078,590	30	2010
Tooele	83,147,566	351	2009
Uintah	83,289,012	67	2010
Utah	170,087,044	163	2008
Wasatch	40,654,180	63	2008
Washington	69,010,133	98	2009
Wayne	6,834,793	25	2010
Weber	211,863,642	91	2009
Central HD	2,009,440	9	2010
Southeastern HD	2,573,292	7	2009
Southwest HD	6,870,667	5	2010

Tooele HD	0	2	2009
TriCounty HD	3,548,480	3	2010
Wasatch HD	0	1	2008
Weber-Morgan HD	2,800,000	4	2009
Tooele Recreation	0	0	
Washington IA	38,256,732	2	2009
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TOTALS	1,362,138,154	1816	

UCIP conducted a similar appraisal project from 2008 to 2010. All buildings and structures were appraised at that time. Values of appraised buildings have been increased each year to guard against inflation of construction costs. It is anticipated that few additional buildings will be identified during the project as owned by the member but not scheduled with UCIP.

UCIP's preference is for those members with older appraisals to be completed first.

The project should be completed over a three (3) year period. It is anticipated that the firm selected for this project will be retained for at least three (3) years, with annual evaluations made of the firm's services.

III. CALENDAR OF EVENTS

Listed below are important dates by which action must be taken or completed.

Action	Date
Issue RFP	3/23/12
Proposals Due	4/13/12
Award of Project	4/18/12
Project Implementation	4/23/12
Year 1 Data Due	6/30/12
Year 1 Reports Due	8/1/12
Year 2 Data Due	6/30/13
Year 2 Reports Due	8/1/13
Year 3 Data Due	6/30/14
Year 3 Reports Due	8/1/14

IV. SPECIFICATIONS OF SERVICES REQUIRED

A. Scope of Work

Purpose: The purpose of this engagement is to define accurate, insurable values that will minimize the risk of not insuring to value, provide required rating information to the Pool's reinsurers and implement an equitable means of allocating premiums. The service will include all insured buildings. Proposals may include providing valuation of contents on a modeled basis.

Scheduling: The selected firm will be responsible to schedule all on-site appraisals with the Member. UCIP will provide member contact information for this purpose. Members should be contacted far enough in advance of on-site work to accommodate their schedules.

Buildings: The selected firm will perform a component-based building appraisal with measurements, descriptions, and photos of all buildings and structures listed in the UCIP Schedule of Properties provided as Attachment A. The appraisal will include such detail as to create and support future re-valuation and proof-of-loss reports. Construction data will be provided in the excel spreadsheet provided as Attachment B to this RFP, which includes types of construction materials, dimensions, appurtenances, condition, major components, occupancy or use, and ISO construction classification.

Contents: contents for each appraised building may be valued on a modeled approach by building usage and square footage. If an additional charge is being made to provide modeled contents values, the cost should be provided separately in the Proposal.

Basis of Valuation: For each building and structure, the appraiser will establish a value and describe the valuation methodology for:

Replacement Cost, defined as the amount required to rebuild or replace the Property on the same site with new materials of like kind and quality.

Actual Cash Value, defined as the amount it would cost to repair or replace the Property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

Value of Exclusions, defined as the value of items excluded from coverage in the coverage form such as underground property, excavation and landscaping.

For buildings identified by UCIP as historical buildings, the appraiser will also establish a value and describe the valuation methodology for:

Historical Reproduction Cost, defined as the cost to repair, rebuild or replace with material of like kind and quality compatible to those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the Property as nearly as possible to its original condition.

B. Deliverables

The selected firm will provide the following:

1. Excel spreadsheet of all data collected in the format provided as Attachment B
2. Annual Project Summary Report identifying buildings appraised by member, change in values, additional buildings identified and other relevant information in summary form.
3. Member Detail Reports with the following information provided for each building:
 - a. Property name;
 - b. Property address;
 - c. GPS coordinates;
 - d. Occupancy or use;
 - e. Type of construction material;
 - f. Square footage;
 - g. Number of floors;
 - h. Year built (actual or estimated);
 - i. Construction classification;
 - j. Fire protection systems;
 - k. Flood zone;
 - l. Description of major components;
 - m. Building values as described in Section III. A. above;
 - n. Content values as described in Section III. A. above, if provided as part of Project; and
 - o. Color digital photograph(s).

All reports must be furnished to UCIP in a mutually agreed upon electronic format, including electronic copies of all digital photographs. Two (2) bound hard copies of each Member Detail Report and fifteen (15) bound hard copies of each Annual Project Summary Report (suitable for presentation to the UCIP Board of Trustees) will be provided at the selected firm's expense.

The firm may be required to present the Annual Project Summary Report in person to the UCIP Board of Trustees and/or a committee of the Board.

C. Other Considerations

In addition to the reports listed above, the appraiser will be required to provide assistance to the Pool and their reinsurers in verifying insurable values.

The selected firm will also provide annual percentage estimates of increased cost of construction by zip code or county for the state of Utah.

The selected firm will be readily available to answer questions throughout the year and meet with UCIP staff or the Board if requested.

D. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the selected firm's expense, for a minimum of five (5) years, unless the firm is notified in writing by UCIP of the need to extend the retention period. The selected firm will be required to make working papers available, upon request, to the following parties:

1. UCIP
2. Parties designated by the federal or state government or by UCIP as part of any audit or quality review process
3. Auditors or other representatives of entities with which UCIP transacts primary insurance, excess insurance, or reinsurance

In addition, the firm shall respond to the reasonable inquiries of successor appraisers and allow successor appraisers to review working papers and reports.

E. UCIP Responsibilities

UCIP staff will provide contact information for each member and will assist in required scheduling to conduct the on-site appraisals contemplated in this RFP. UCIP staff will also provide other data and information which is reasonably required for the appraiser to complete the services required by this RFP.

V. TERMS AND CONDITIONS OF PROPOSALS

1. No Proposer may withdraw his/her proposal for a period of thirty (30) days after the date and hour set for the delivery of proposals.
2. Any exceptions or deviations from written specifications shall be detailed in writing and attached to the Proposal.
3. All information provided to the Proposer must be kept confidential, and may only be utilized to prepare a response Proposal to this RFP.
4. The enclosed Non Collusion Affidavit and Business Relationship Affidavit must be signed, notarized and returned with the Proposal.
5. UCIP reserves the right to reject any and all Proposals and to waive any technicalities in this RFP document, the RFP process and/or any Proposal received.
6. Proposal price shall be valid for a period of sixty (60) days after the Proposal delivery date.

7. The Proposer may be asked to provide a bond to assure completion of the project, or a liquidated damages clause may be added to the contract for services in the event the Proposer fails to complete the project under the terms of the contract.
8. Any term, condition or offer of service provided in the Proposal may become a contractual obligation of the Proposer.
9. Contact with any members of the UCIP Board of Trustees regarding this RFP may be grounds for elimination from the selection process.

VI. AWARD OF PROJECT

This is a Request for Proposal of professional services, and not a request to bid on a contract. Therefore, this project will be awarded to the firm who, in the opinion of UCIP, is judged most advantageous to UCIP. Only the UCIP Board of Trustees shall have the authority to award the engagement.

In addition to cost, additional factors including the following will be considered:

1. The ability, capacity, skill and experience of the Proposer to fulfill the terms of the project or provide the service required.
2. Whether the Proposer can fulfill the terms of the project or provide the service promptly or within the time specified without delay or interference.
3. The character, integrity, reputation, judgment, experience and efficiency of the Proposer.
4. The quality of fulfillment of the terms of previous engagements or services provided UCIP or others.
5. The previous and present compliance of the Proposer with laws and ordinances relating to the project or service.
6. The sufficiency of the financial resources and ability of the Proposer to fulfill the terms of the engagement or provide the services required.
7. The quality, availability and adaptability of the project services to the particular use required.
8. The number and scope of the conditions attached to the Proposal.

Proposals should provide adequate information for UCIP to consider these factors including:

- a) Profile of firm;

- b) Information on the financial condition of your firm, preferably the most recent financial statement audited by an independent auditor;
- c) The name, address, email address, and phone numbers of the firm's primary contact person for this project;
- d) Resumes of persons who will work directly on the UCIP project.
- e) Governmental Experience and more specifically experience with Utah governmental subdivisions.
- f) Insurance Entity Experience and more specifically experience with governmental risk pools.
- g) References and more specifically any references from governmental agencies, insurance companies or governmental risk pools.
- h) List of Professional Association which the firm or staff maintains affiliations;
- i) A project outline identifying the firm's plan to timely schedule, conduct and report on appraisals in a manner that will meet UCIP's report submission deadlines.
- j) Detailed description of the valuation methods to be utilized for establishing building values;
- k) Detailed description of modeling method to be utilized for establishing contents values;
- l) Sample reports, including sample Member Detail Reports;
- m) Statement that all information provided to or acquired by your firm will be kept confidential, and will be used only for purposes of completing this specific project;
- n) Statement confirming that any property accounting services proposed, including infrastructure valuation will be in compliance with GASB Statement 34;
- o) Any additional services your firm is prepared to offer that are not being requested in this RFP.
- p) Draft contract sufficient to be accepted by UCIP as is or with modification as requested by UCIP. All statements made in the proposal may be incorporated by reference or by amendment to the draft contract.

VII. FEE PROPOSALS

Fee Proposals submitted in response to this RFP must provide a maximum all-inclusive price to perform the services required by this RFP. The fee information should include a maximum total price for the 2012 project year and an estimate for each of the two succeeding project years. Include in the proposal a minimum of the following information:

1. Per building rate(s) for all services excluding modeled contents values;
2. Per building rate(s) for providing Historical Reproduction Cost if different than above;
3. Per building rate(s) for providing modeled contents values;
4. Per building rate(s) for any additional buildings requested for appraisal during the project period;
5. Estimate of expenses to be charged separate of the rates provided above if expenses are to be charged separately (a fee structure including all expenses in the per building rate is preferred);
6. Manner of anticipated billing including interim or progress payment billings;
7. Total not-to-exceed fee, including expenses, for each year of the project and for the total project period.

VIII. INSTRUCTIONS FOR PROPOSAL SUBMITTAL

Two (2) copies of your proposal must be submitted to Chief Executive Officer, UCIP, P.O. Box 95730, South Jordan, UT 84095. Failure to deliver your Proposal on time may result in rejection of the Proposal at UCIP's discretion.

Remember, the attached "Non Collusion Affidavit" and "Business Relationship Affidavit" must accompany your proposal.

UCIP reserves the right to reject any and/or all Proposals.

NON COLLUSION AFFIDAVIT

State of _____)
) ss
County of _____)

_____, of lawful age, being first sworn on oath says that (s)he is the agent authorized by the firm to submit the attached proposal. Affiant further states that the firm has not been a party of any collusion with other firms in restraint of freedom of competition by agreement to provide a proposal at a fixed price or refrain from submitting a proposal; or with State, County, or City officials or employees as to the quantity, quality, or price in prospective contract, or any other terms of said prospective contract; or in any discussions between the firm and any State, County, or City official concerning exchange of money or any other thing of value for special consideration in the submission or acceptance of the proposal.

AFFIANT

Name

Title

Signature

NOTARY PUBLIC

Subscribed and sworn before me this _____
day of _____, 20__.

Name

Signature

My Commission Expires: _____

BUSINESS RELATIONSHIP AFFIDAVIT

State of _____)

County of _____)

_____, of lawful age, being first duly sworn on oath states that (s)he is the agent authorized by the firm to submit the attached proposal.

Affiant further states that the nature of any partnership, joint venture, or other business relationship presently in effect or which existed within one (1) year prior to the date of this statement between the firm and UCIP or any of its officers, employees or agents is as follows:

Affiant further states that the names of all persons who have any such business relationships and the positions they hold with their respective companies or firms are as follows:

(If none of the business relationships hereinabove mentioned exists, affiant should so state)

AFFIANT

Name

Title

Signature

NOTARY PUBLIC

Subscribed and sworn before me this _____
day of _____, 20__.

Name

Signature

My Commission Expires: _____