

Borough of Glen Ridge

Contractual Agreement
For the Revaluation of All Real Property

AGREEMENT

**THE BOROUGH OF GLEN RIDGE
ESSEX COUNTY
NEW JERSEY
DEPARTMENT OF FINANCE,
DEPARTMENT OF PURCHASING**

AND

**FOR THE
REVALUATION OF ALL REAL PROPERTY**

**SITUATED IN THE
BOROUGH OF GLEN RIDGE, ESSEX COUNTY, NEW JERSEY**

This Contractual Agreement make as of _____ 2012, between the Borough of Glen Ridge (hereinafter "Borough") a public instrumentality of the State of New Jersey and _____ having its principal place of business _____ (hereinafter the "Company").

WITNESSETH:

WHEREAS, the Borough, desires to enter into this Agreement (based on the RFP issued) and in accordance with the State of New Jersey Fair and Open Process of the Pay-to-Play Law, (N.J.S.A. 19:44A-20.5, *et seq.* and the Local Public Contracts Law, (N.J.S.A. 40A:11-1, *et seq.*) with the Company for _____; and

WHEREAS, the said Company, for and in consideration of the payments hereinafter specified and agreed to be made by the Borough, hereby covenants and agrees to commence and complete the work as follows:

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties hereto covenant and agree with each other as follows:

1. Scope of Services:

As set forth in the Request for Proposal (RFP) and the Company's Response to the RFP, annexed hereto under Exhibit I and which form a part of this Contractual Agreement by reference, the Company agrees to perform a complete and comprehensive revaluation program of all real properties located within the Borough of Glen Ridge as illustrated on the Property Classification Schedule, attached hereto under **Appendix A** of this Contract, for use by the Tax Assessor in accordance with this contract and the associated contract documents, all of which are annexed hereto and which form a part of this contractual agreement.

The Company agrees to provide all services necessary to timely and accurately appraise each parcel of real estate and each real property improvement which are within the Borough of Glen Ridge's municipal

boundaries according to its fair market value according to N.J.S.A. 54:4-1 et seq. In addition, the Company shall meet all of the standards and provisions for revaluation specified in N.J.A.C. 18:12-4.8, 4.9, 4.10 and 4.11 *et seq.*

The revaluation requested under this RFP requires the Company to adhere to all applicable requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), in particular Standard 6, entitled "Mass Appraisal, Development and Reporting."

The Company agrees that the General Coefficient of Deviation shall be less than fifteen percent (15%) the subsequent year after the revaluation is completed. In the event, that the General Coefficient of Deviation exceeds the criteria as outlined in N.J.A.C. 18:12A-1.14(i), the year after the revaluation is completed said Company shall revalue/reassess including the re-inspection (interior and exterior) any and all property necessary to achieve a General Coefficient of Deviation of less than fifteen percent (15%) as a part of the contract price specified herein.

The Company agrees to appraise all properties using the three approaches to value (Sales Comparison, Cost and Income) where applicable and to use acceptable methods, forms, manuals and software authorized by the New Jersey Division of Taxation. The revaluation project shall be computer generated utilizing the Vital Computer Aided Mass Appraisal System and Vital Image software in accordance with the specifications outlined under Section 21 of this agreement and so stated elsewhere. **No conversion of CAMA data will be accepted and no exceptions to this requirement shall be permitted.**

Submission of a proposal utilizing any other Computer Aided Mass Appraisal System (CAMA) will be grounds for an automatic disqualification of the proposal submitted.

The Company shall send out Further Statements under the Borough's letterhead and Tax Assessor's signature to all Exempt Properties (Class 15B, and 15D) getting an exemption from real estate taxes. The Company shall request the Further Statement information by certified mail, return receipt requested and said mailing costs for these statements shall be at the Company's expense and included as part of their Proposal amount. The Company shall also prepare a separate list of tax-exempt properties indicating the full value of such property utilizing the applicable approaches to value (Cost, Sales Comparison and Income) and a sketch of the improvements as if taxable.

The Company, if applicable, shall value lands qualified under the Farmland Assessment Act of 1964 in accordance with its applicable farm-qualified value as well as its value according to its highest and best use if not a qualified farmland considering such property class to exist in said municipality. A minimum set of exhibits shall be required as specified herein.

The Company shall acquaint the Tax Assessor and staff in the use of procedures, standards and records used for making each property appraisal in order that the assessing office will be in a position to check the work as it progresses, and apply the same methods, standards and procedures to new or altered properties in subsequent assessment years. A complete catalog of valuation methodology shall be provided to the Tax Assessor outlining the methods, guidelines and procedures utilized during the revaluation process.

Work shall be required to commence within thirty (30) days of the effective date of awarding this contract which is subject to the Director of the Division of Taxation Approval and appropriate funding.

This Contractual Agreement shall be for a term of one year commencing upon issuance of a notice to proceed. This Contract may be extended, subject to the requirements under the applicable law and Municipal Governing Body approval. This Contract may be extended provided that: 1) The contract shall be awarded by resolution of the governing body upon a finding by the governing body that the services are being performed in an effective and efficient manner; 2) No such contract shall be extended so that it

runs for more than a total of five (5) consecutive years; 3) There will be no price change; 4) The terms and conditions of the contractual agreement substantially remain the same.

The revaluation must be completed by January 10, 2013.

2. Price:

The Borough of Glen Ridge agrees to pay the Company \$_____ in accordance with the terms of the payment contained hereinafter.

There shall be no advance payments made to the Company.

The Borough of Glen Ridge will not pay the Company for any additional properties discovered and/or not covered by the Property Classification Schedule attached hereto.

The Company shall prepare a breakdown of functions to be carried out during this revaluation project and place a dollar value for each function which shall be subject to the approval of the Tax Assessor and County Tax Administrator. This breakdown is outlined and attached to this contract with summary sheet attached as **Appendix D**. This breakdown is a material part of this contract, shall be the basis for payments, and is to be completed as part of the executed contract documents.

The revaluation project will commence immediately upon receipt of an acceptable performance bond, approval by the Director of the Division of Taxation of New Jersey and approved funding, if required. Payments to be made to the Company under this contract shall be calculated by applying the appropriate dollar value to the work completed and accepted by the Tax Assessor at the end of each payment period. The dollar values to be utilized are outlined in **Appendix D** of this contract and are subject to an adjustment of minus a retention of Ten (10%) of the contract amount.

Billings for payment under this contract must be received no later than the 15th day of each month to allow sufficient time for review and certification. Billings properly filed and approved shall be process and payment mailed to the Company if found to be in order and approved.

As previously stated this contract calls for a minimum retention of Ten (10%). The contract retention will be paid out in the following manner. Five percent (5%) of the ten percent (10%) being retained shall be payable upon completion of the first year's County Tax Board appeal season. The remaining Five percent (5%) of the Ten percent (10%) shall be payable upon completion of the second year's County Tax Board appeal season. The Bond shall remain effective for the entire project including thru the second year of County Tax Board appeals.

3. Contract Contingencies:

This Contract is contingent upon approval by the Director of the Division of Taxation and shall not be effective until such approval is noted on the approval page provided within this agreement.

The Company shall not have the authority to vary, alter, amend, or change this contract, without receiving prior written approval from the Tax Assessor and the Borough of Glen Ridge. The Company shall be responsible for any and all work performed by any subcontractors.

The Borough of Glen Ridge may elect to hire a project liaison/Class 4 review appraisal expert who shall assist the Tax Assessor throughout the project. The Company shall fully cooperate with those professionals throughout the project and shall timely share any information requested.

The Company shall not sell, transfer or otherwise dispose of this Contract or its interest therein to any other parties without receiving prior written approval from the Tax Assessor and the Borough of Glen Ridge.

4. Conflict of Interest:

The Company shall comply with all aspects of N.J.A.C. 18:12-4.5 concerning Conflict of Interest.

No Commissioner or employee of the Essex County Board of Taxation and no assessor of a taxing district within Essex County or employee of the Borough of Glen Ridge shall have an interest whatsoever, directly or indirectly, as an officer, stockholder, employee or any other capacity in the Company.

No Company referred to in N.J.A.C. 18:12-4.4(a) 7 shall represent any property owner(s) or taxpayer(s) filing a tax appeal with respect to a revaluation by the Company.

The Company and its parent company and subsidiaries, if any, shall not represent any property owner or taxpayer as a real estate appraiser/expert valuation witness filing a tax appeal with respect to the revaluation completed by the Company for a period of five (5) years from the date of expiration of the contract.

5. Company Qualifications:

The Company shall meet standards as set forth by the Director of the Division of Taxation and N.J.A.C. 18:12-4.3. In addition, the company shall supply said Director with any information which may be required from time to time during the duration of this project.

The Company shall supply the Borough of Glen Ridge with one (1) copy of three (3) years of certified financial statements from an independent accountant as required.

6. Company Personnel:

At a minimum, the Company, its personnel/employees shall meet the requirements and qualifications as prescribed under N.J.A.C. 18:12-4.6. Wherever this contract calls for a greater/increased standard the higher standard shall prevail over the applicable New Jersey Administrative Code(s).

Principals of the Company shall have at least ten years of practical and extensive appraisal experience in the valuation of the various classes of real property.

Supervisors of the Company shall have ten years of practical and extensive appraisal experience in the valuation of the particular class of real property for which they are responsible. At least four years of this experience must have been in the mass appraisal field within the last three years.

All personnel determining final land values shall have at least ten years of practical and extensive appraisal experience in the valuation of this class of property.

All personnel involved in valuing commercial, industrial, and multi-family (five or more) units must show proof of expertise in the valuation of income-producing properties. All commercial, industrial, and apartment building of 4 units or greater shall be appraised by a holder of a commercial level designation of a nationally recognized professional appraisal organization and/or shall be a Licensed Certified

General Real Estate Appraiser (SCGREA) in New Jersey. If requested, the designated appraiser shall show proof of expertise in the valuation of apartments, hotels, marinas, mobile home parks, motels, nursing homes, offices, and shopping centers by submitting a list of such properties appraised during the last three years.

Field personnel and/or field inspectors shall have a minimum of **6 months** actual revaluation field inspection or appraisal experience pertaining to their particular phase of work and shall be generally aware of other phases of the revaluation project prior to starting field work. A resume including references shall be summarized and submitted with the Company's proposal for review by Borough officials. All field personnel shall be subject to a written test of basic general skills relating to their functions if so required by the Tax Assessor of the Borough of Glen Ridge. The test will be prepared by the Tax Assessor and administered to these persons at any time upon request by the Assessor prior to or while work is ongoing on this project. A minimum of six (6) full time field inspectors shall be provided during the field data collection phase of this project so as to meet the project completion schedule.

The Company shall submit a resume outlining the qualifications and relevant experience of each principal, supervisor, land valuator, and commercial, industrial, or multi-family valuator as well as field personnel assigned to this project. Additionally, the Company shall identify if any employee is currently a sitting Tax Assessor within the State of New Jersey and in which municipality they hold such office. The Company shall submit the names, residence addresses, education, and prior experience of each employee to the Tax Assessor before work is started by any employee.

The Company shall designate a qualified and responsible Project Manager to supervise the operation of the Company's staff for the entire project. (Complete **Appendix B**) There shall be one (1) supervisor for no more than six (6) field data collectors or part thereof. The project manager/supervisor shall have at least ten years of experience in mass appraisal work and at least five years in the capacity of a reviewer. This designated individual(s) shall make themselves(s) available to the Tax Assessor and/or the County Tax Administrator for consultation throughout the project.

The Tax Assessor reserves the right and discretion to request a replacement project manager at any time in the interest of the Borough of Glen Ridge obtaining the highest quality revaluation results. The Company shall provide a qualified replacement project manager that is acceptable to the Tax Assessor within 5 days of written notice or be subject to a \$500.00 per day penalty for every day that a qualified and acceptable replacement project manager is not in place to manage the Borough's revaluation project.

The Company shall supply the Tax Assessor with driver's license numbers, vehicle license plate numbers and make of vehicle or vehicles that will be used by field personnel. Additionally, all employees working on the revaluation must supply their home address, and home and cellular telephone numbers.

All field inspectors are to wear a Company shirt (short or long sleeve) or reflective vest of the same design and color with the Company name and logo so they may be easily identified by property owners and municipal officials when performing any inspection work for the Borough. Failure to wear the required Company shirt may result in the field inspector being removed from the project for the day. If non-compliance persists the field inspector shall be removed from the project.

The Company personnel assigned to the project shall wear an identification badge issued by the Borough of Glen Ridge Police Department which shall contain an up-to-date photograph of the employee. This identification tag must be worn at all times on the outside of their clothing and conspicuously displayed. Personnel shall present themselves in a neat and clean manner and shall conduct themselves in a professional and courteous manner. A professional dress code will be enforced (see above mandatory Company shirt requirement).

The Company shall require all personnel performing work on this project to authorize a background investigation of said employee by submitting a release as attached to this contract as **Appendix C**. This investigation may include a National Criminal Information Center report (NCIC) and driver's license reviews and be conducted by the Borough of Glen Ridge police department. Additionally, the company shall provide proof of citizenship for all of its employees that will be working on the revaluation. Either an I-9 or passport will be acceptable. **Any and all costs associated with the aforementioned background checks are the sole responsibility of the Company.**

Upon written notice to the Company's project manager, at no additional cost, the Tax Assessor may request that additional personnel be assigned to any phase of this revaluation project in order to meet the schedule of any project work. Noncompliance with this request is considered grounds to invoke the liquidation clause of this contract. Such determinations shall be at the sole discretion of the Tax Assessor.

Upon written notice to the Company's project manager, the Tax Assessor may request removal of any person from this project whose work is unsatisfactory or has conducted him or herself in an unprofessional manner.

Any change in personnel employed under this contract shall be immediately submitted to the Tax Assessor and the Essex County Tax Administrator in writing. The municipality may demand replacement of supervisors and field personnel who, in its opinion, are not performing adequately.

7. Office Space, Telephone Access and Computers:

The Municipality will attempt to provide for office space for field personnel and access to computer equipment on a limited basis for encoding of the property description data, if available. The Company shall provide as part of the contract price a fully functional office including but not limited to office space, furniture, computers, equipment, telecommunication data lines and other items required in connection with this project at its own expense. This includes any communication equipment, software, data lines or access fees necessary to connect to the Borough's computer vendor Vital Communications, Inc.

The Borough of Glen Ridge has the irrevocable right to deduct up to \$500.00 per day (Liquidation Damages) from any funds if the Company fails to comply with this requirement within 90 days of the contract being awarded. The Tax Assessor shall be provided proof that the Company has an operating and fully functional office as described above along with a list of telephone numbers being used by Company personnel in order to maintain communications between parties to this agreement.

8. Public Relations:

During the progress of this project, the Company and its employees will endeavor to promote understanding, transparency of the process and amicable relations with taxpayers and the general public. The Company and the Borough of Glen Ridge will endeavor to orient and educate all interested persons as to the revaluation project through a website (requirement to be discussed separately in the next section), newspaper articles, press conferences, public information mailings and meetings, and other publicity as required and determined by the Tax Assessor. Any informational materials shall be presented to the Tax Assessor for review and approval prior to release, publication or posting.

The Tax Assessor shall arrange speaking appearances at meetings of homeowners, condominium associations, community groups and business groups and the Company shall furnish qualified speakers in order that the purposes, methods and procedures of this revaluation program can be explained to as many interested persons as possible. Meetings with homeowner and community groups should be

scheduled prior to the commencement of field inspections within the group's sector of the Borough of Glen Ridge where possible and/or requested. The necessity and number of meetings will be determined at the Tax Assessor's discretion for the purposes of this revaluation project.

The employees of the Borough of Glen Ridge and the Company shall work together to maintain the full cooperation of all taxpayers by treating each inquiry with courtesy and timely supplying all possible requested information within statutory requirements and limits to every interested taxpayer; however, each field inspector shall be instructed to refrain from discussing with the property owner, tenant, or occupant the possibility of any increase or decrease in the valuation or taxes of the real property and/or buildings, since any information is preliminary in nature at that point in time. This restriction will be strictly adhered to and any violation will be just cause for the Tax Assessor to request that the employee be removed from work on this project.

These requirements for public relations are a minimum. The Company should detail additional public relations efforts as this is a critical part of a successful revaluation program. The Company, subject to prior approval from the Tax Assessor, may also substitute other methods to achieve effective communications among the community. Those methods need to be described in detail how they will advance the public relations efforts of the revaluation process.

9. Company Web Site:

As a part of a comprehensive public relations program and in order to foster transparency of the revaluation process the Company shall have an interactive website where interested parties can obtain information about the revaluation on-going in the Borough. All revaluation correspondence sent out shall reference the website and provide a general description of its content.

The website content, at a minimum, shall contain the following information and shall be updated monthly:

Information regarding the Company, its telephone number, e-mail address, information and facts concerning the revaluation process, an inspection schedule and progress of the revaluation;

A PDF file of the Neighborhood Map (when completed);

A PDF profile of each of the relevant sales utilized in each of the VCS's/Neighborhoods (including a photo of the property and a summary of its empirical data, when compiled);

After preliminary notices have been sent to property owners, the Company must maintain the complete listing of proposed assessments online for public inspection. In addition, property owners shall have the ability to search a property's assessment by owners name, block and lot, property location or VCS.

Any cost relative to this provision(s) is the exclusive expense of the company.

10. Submission of Work:

At a minimum of every two weeks throughout the project, as data is collected and verified by the Company's project manager/supervisor, the Company shall enter the data into the Borough of Glen Ridge's CAMA system (Vital Mod-IV, Vital CAMA and Vital Imaging Systems) and then submit a hard copy of the computerized data to the Tax Assessor for his/her review including the digital photos of the properties. Any cost relative to the provisions is the exclusive expense of the company.

11. Program Progress Reports:

The Company shall submit a schedule of all project work including projected dates of completion to the Tax Assessor prior to the contract being awarded. Therefore, on the 25th day of each month, detailed status report and supporting documentation outlining progress shall be submitted to the Tax Assessor until completion of the project. A detailed project work schedule shall be completed and submitted in conjunction with the vendor's proposal to the Borough.

Liquidation Damages of up to \$1,000 per day for any delays beyond 10 days shall be deducted for any balance due. The Company shall be notified in writing and given 10 days notice wherein to remedy any deficiencies and/or late reports (total of 20 days).

Monthly progress reports shall be filed directly with the Tax Assessor on or before the 25th day of the each month. . Upon receipt and review the Tax Assessor will forward to the Essex County Tax Board for submission in accordance with the applicable New Jersey Administrative Code. Periodically throughout this project, documentation relative to the valuation of properties shall be submitted to the Tax Assessor as requested.

12. Liquidated Damages:

At the discretion of the Borough, in the event the revaluation project is not completed by January 10, 2013, liquidated damages shall be five hundred dollars (\$500.00) for each calendar day beyond January 10, 2013 that the work remains incomplete.

Completion is defined as all work finished including a fair and equitable value being calculated as of October 1 of the pretax year, which requires all field inspections, calculations/data entered in to the Vital CAMA system, digital photos taken front and rear of every line item and entered in to the Vital Image System, informal taxpayer public hearings, hearing maintenance and submission of all reports, as may be required by the Tax Assessor and/or the Essex County Board of Taxation during this revaluation project and the "Tax List" is able to be printed.

The Company shall not be responsible for delays caused by strikes, war, catastrophes, acts of God or actions by others not under the jurisdiction of the Company which might stop or delay the progress of work. No other justification or reason for delays of this project is acceptable.

13. Insurance and Bonding:

Indemnification

The Company shall indemnify and hold harmless the Borough of Glen Ridge from any lawsuit, litigation, demand or claim arising out of the revaluation contract including attorney's fees and costs in connection with the defense of any such claims. The Borough shall be able to choose an attorney of its own at the customary hourly rate, if the Borough is named in any lawsuit, litigation, demand or claim arising out of the revaluation contract, which fees shall be covered by the Company.

Insurance Requirements

The Company shall comply with all aspects of N.J.A.C 18:12-4.10 concerning Surety and insurance.

The Company shall carry the following insurance for the complete duration in the performance of its services and shall provide certificates of insurance evidencing its coverage prior to starting work on the revaluation. The certificates of insurance shall provide for advance notice to the Borough of any subsequent modification or cancellation of the coverages.

A. The Company shall provide Workers' Compensation Insurance with coverage as required by the State of New Jersey.

B. The Company shall provide Comprehensive General Liability Insurance with a limit of not less than \$3,000,000 each occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage.

C. The Company shall provide Automobile Liability Insurance with a limit of not less than \$1,000,000 for automobile coverage per occurrence/claim.

D. The Company shall provide Professional Liability Insurance of the type necessary to protect the Borough from any professional liability arising under this Agreement. Said insurance shall be in an amount no less than \$2,000,000 for any one claim.

E. The Company shall provide Excess Umbrella Insurance in the amount of \$1,000,000 giving protection in excess of eh General and Auto Liability coverage.

The aforementioned policies shall name the Borough of Glen Ridge as an additional insured.

Performance Bond

A performance surety bond equal to the amount of this contract, executed by reputable bonding firm authorized to do business in the State of New Jersey shall be provided at contract execution. The surety bond shall be subject to a reduction of ten (10) percent of the contract amount upon acceptance of the completed revaluation by the Tax Assessor. Said surety bond shall be subject to full cancellation at the conclusion of the second year of all appeals before the Essex County Board of Taxation.

A treasury listed bonding company is to be provided with an AB Best rating.

Copies of all insurance policies and the surety bond shall be provided to the Borough of Glen Ridge prior to the commencement of any work under the contract.

14. Quality and Progress Control:

The Company shall utilize a quality control program as outlined and attached to this contract as **Appendix E** or any other format approved by the Tax Assessor of the Borough of Glen Ridge. The Company shall submit copies of all quality control reports to the Tax Assessor on a weekly basis for review so as to ensure that the program guidelines are being adhered to throughout the project.

If at any time during the contract period the quality and/or progress of the Company's work shall not be satisfactory to the Tax Assessor, the Borough of Glen Ridge reserves the unilateral right to terminate the contract upon thirty (30) days written notice directed to the principal place of business of the Company.

Thereafter, the Borough of Glen Ridge shall be responsible only for the reasonable value of the services theretofore rendered, and in no event a sum greater than the ratio of completed work to the whole work contemplated by the contract.

15. Interpretations of Specifications and Contract:

Should a conflict in language arise within this contract as it relates to any State Statute or Administrative Code, said conflict shall be settled on the basis of the increased/higher standard being applied to that portion of the contract language.

This Contract shall be construed pursuant to the laws of the State of New Jersey. Any litigation with respect to the interpretation of the terms of this Contract shall be within the sole jurisdiction of the Superior Court of the State of New Jersey, Essex County.

16. Confidential Nature of Project:

Disclosure of appraisal information to any individual, Company, or corporation, other than the Tax Assessor, the Essex County Board of Taxation, or their authorized representatives is expressly prohibited, and if done before conclusion of this project will be considered a violation of the contract. It is understood that this does not refer to information released under due process of law, the right to know laws and Open Public Records Act (OPRA) of the State of New Jersey.

17. Conditions to be met by the Municipality:

The municipality shall comply with all aspects of N.J.A.C. 18:12-4.7 concerning their conditions to be met.

The Borough of Glen Ridge shall furnish the Company the following:

- (a) One (1) large and One (1) small copies of the up-to-date tax map approved by the Director of the Division of Taxation or his designate indicating the real estate assessment numbering system.
- (b) A copy of the MOD IV tape of current property records for all properties currently listed upon the tax records of the Borough of Glen Ridge. This tape shall include the block, lot, additional lots, owner's name and address, property location, property classification, if needed.
- (c) Two (2) copies of the municipal zoning map.
- (d) Access to any SR1A records required by the Company.
- (e) Access to the abstracts of deed on file within the assessor's office as needed.
- (f) Access to zoning approvals and building permits as received during the project.
- (g) Letters of Introduction to facilitate the Company's access to properties for inspection and data collection purposes.
- (h) Any other data that may be secured from the Borough of Glen Ridge subject to the approval of the Tax Assessor to assist the Company to determine the full fair value of the properties to be valued.

Upon the completion of the revaluation project the Company shall return all documents, records, maps and any photographs acquired back to the Borough of Glen Ridge. At the request of the municipality the Company shall sign an affidavit attesting to same.

Note: Access to the Borough's current or previous property record cards will be limited to obtaining the year built for improved properties. Consequently, the Borough's current or previous property record cards and old computer aided mass appraisal (CAMA) data will not be made available to the Company or its representatives for review, consideration or consultation in any manner or under any circumstance during the revaluation of the Borough without the sole permission of the Tax Assessor.

18. Property Inspection:

The data collection process is a critical part of the revaluation process! To often the public criticizes field inspectors/the revaluation process for not taking the time to walk through the entire property including all levels. Unless prohibited by a property owner and noted accordingly, all field inspectors are required as a part of this contract to view each room in a property to ensure the greatest accuracy and public confidence in the collection of field data. Failure to do so is a violation of this contract and may result in the field inspector being removed from the project.

Prior to the beginning of field inspections, the revaluation company's project manager, and any other company representative(s) necessary will ride throughout the Borough with the Tax Assessor to discuss the delineation of neighborhoods/VCS's, valuation peculiarities, demographics and other salient valuation criterion as required to thoroughly consider all factors necessary in establishing fair, equitable and uniform assessments throughout the Borough.

The Borough of Glen Ridge will not be responsible for providing security protection for the Company's personnel during any field activities connected with this Contract. The Company is not restricted in any way from providing such security as they feel necessary at their own expense.

Prior to the commencement of field inspections, a schedule will be set up for the entire Borough which outline the plan for field inspections. This will be done jointly by the Company and the tax assessor and will include neighborhood and personnel assignments. The purpose of this requirement is to permit the tax assessor to have an overview of the progression of the inspections.

Prior to the commencement of field inspections, public notice will be given of the schedule. This notice will be made through the Borough of Glen Ridge's local newspapers and through informational bulletins placed in Borough Hall and the municipal and Company's web site as well as their local cable TV channel if applicable. The publicly posted schedule for inspections shall set forth the proposed time table and locations for inspections throughout Borough of Glen Ridge. The web site(s) and cable TV announcements shall be updated monthly by the Company. Any cost(s) associated with this requirement are the sole responsibility of the Company.

Prior to the commencement of field inspections, notice of initial inspection shall be mailed to individual property owners, by neighborhood or other systematic method, advising owners that field inspectors will be in their neighborhood at given dates. Generally, initial inspections will be attempted within two weeks of this notice.

All field inspectors, including the project manager(s), must have an active cellular telephone or other personal communication device so as be easily reached if the need arises. A list of names and cellular telephone numbers shall be provided to the Tax Assessor.

This contract requires the inspection and verification of **100%** of the exteriors and no less than **95%** of the interiors of all properties within the Borough of Glen Ridge. This requirement includes all taxable, tax-abated and tax exempt properties. A careful inspection of each parcel shall be made after 9:00 AM but before 7:00 PM on any day, Monday through Saturday.

The Company shall notify the Glen Ridge Police Department of the location(s) of their field representatives and their activities weekly.

All Company personnel assigned to the project shall wear an identification badge issued by the Borough of Glen Ridge Police Department which shall contain an up-to-date photograph of the employee. This identification tag must be worn at all times on the outside of their clothing and conspicuously displayed. Personnel shall present themselves in a neat and clean manner and shall conduct themselves in a professional and courteous manner. A professional dress code will be enforced (see above mandatory Company shirt requirement).

All field inspectors are to wear a Company shirt (short or long sleeve) or reflective vest (over their clothing) of the same design and color with the Company name and logo so they may be easily identified by property owners and municipal officials when performing any inspection work for the Borough. Failure to wear the required Company shirt may result in the field inspector being removed from the project for the day. If non-compliance persists the field inspector shall be removed from the project.

All residential structures are to be measured with a measuring tape and/or a state of the art laser measuring device. No measuring sticks will be permitted to be used. A measuring wheel may be used for on site improvements (parking lots) and large class 4 buildings.

At the time of the property inspection, if an owner/occupant is not available, a calling card shall be left in a conspicuous place (NOT IN ANY MAILBOX) indicating the date and time of a second inspection. This card shall include a contact telephone number and an e-mail address should the owner/occupant desire to make other inspection arrangements. The type and design of said card is subject to the assessor's approval. The date and time of a second inspection shall be substantially different from that of the original inspection (Not same day, etc.)

If the owner/occupant is not available at the time of the second inspection, a second calling card shall be left in a conspicuous place indicating that the field inspector has attempted two visits and request the owner/occupant to either return the card or telephone a given number or send an e-mail to arrange for an interior inspection. This card shall include information advising that the assessment data will be estimated as required unless an interior inspection is arranged. The exact language shall be reviewed and approved by the Tax Assessor prior to release.

In cases where no entry is possible after three (3) attempts or an owner/occupant refuses to either set a mutually convenient appointment or allow entry to the premises, the Company shall assess that particular property at its highest reasonable value using professional appraisal methods and data available. **In no event shall a card be left requesting the owner/occupant to fill in information.** The Company shall notify the Tax Assessor in writing of these refusal(s) and estimations on a monthly basis. The electronic CAMA record shall reflect whether or not an interior inspection was made and whether it was a refusal or an estimate. Upon the completion of the inspection phase of the revaluation project the Company shall provide the assessor with a separate listing of all properties in block and lot order of all properties where estimates were prepared. Additionally, the percentage of successful interior inspections completed by the Company shall be provided to the assessor in accordance with this contract.

The Company shall immediately notify the Tax Assessor of any properties not found on the current tax list but discovered as a result of their field inspection. This report will permit adequate time to place an added/omitted assessment on the property so all properties accurately appear upon the Borough of Glen Ridge Tax List.

The type of construction will be recorded by component parts such as, but not necessarily limited to, foundation, basement area, wall construction, roof, floors, interior finish, heating system, fireplaces, kitchen type and quality, plumbing, fixtures, including whirlpool baths, number of rooms, actual and effective age, physical condition, physical, functional and economic depreciation and/or appreciation if applicable, general quality of construction, rent (if rented), and sales data.

Each property data field inspector shall record the name or code of the person making the inspection and the date of the inspection as well as the signature of the occupant verifying that an interior inspection has been conducted. The signature of the party present at the time of inspection shall be requested and signed on the notice calling card.

In no case shall a field inspector attempt to enter or make an interior inspection where only a minor is present. The property owner or other responsible adult must be present at the time of any interior inspection(s). If the field inspector has doubts he should leave a card and/or arrange to inspect the interior when a responsible adult is present. This restriction will be strictly enforced and any violation will be just cause for the Tax Assessor to request that the employee be removed from the project.

The data collection worksheets will be returned by the field staff after which they shall be reviewed for accuracy by a supervisor and encoded into Vital's computer aided mass appraisal (CAMA) system. The Company is encouraged to employ BRT's Power Pad Data Collection Software utilizing computer laptops in the field.

Upon request a hard copy of field work shall be forwarded to the Tax Assessor's Office after encoding and a preliminary calculation so that it can be progressively reviewed by the Assessor. Upon complete review by the Tax Assessor, should discrepancies appear in the Company's listings, the Company shall make the necessary corrections at its own expense.

The format of the property record data collection card shall be as indicated on the Borough of Glen Ridge's computer system which is the Vital CAMA System.

The Tax Assessor, his/her designate or a representative of the Essex County Board of Taxation may make random spot checks throughout the Borough of Glen Ridge to verify that inspections are being conducted in an appropriate manner.

The Tax Assessor, his/her designate or a representative of the Essex County Board of Taxation may accompany Company employees at any time during field inspections.

Properties which may be altered by building permits subsequent to field review but prior to October 1, 2012 shall require a Microsoft Excel spreadsheet and shall be field reviewed by the Company and provided to the Tax Assessor prior to finalization of value.

A final (100%) drive-by visual field inspection is required and review of all land and buildings be made upon completion of field and office computations by Company's Project Manager to insure accuracy of all data recorded on a hard copy of the computer data files. The purpose of this review will be to account for and adjust for factors which may have a direct bearing on the market value of properties as well as to ensure a property's equitable relationship to surrounding properties. This review shall be accomplished by the Project Manager along with the Tax Assessor.

19. Computer Requirements:

The revaluation of all properties must be computer assisted utilizing the Vital Computer Assisted Mass Appraisal System (CAMA) and Imaging system. No substitutes will be allowed or permitted and no conversion of CAMA data from another vendor's software will be allowed or permitted.

It is deemed a material part of this agreement that the Company shall use the Borough of Glen Ridge "on-line" computer system. The Company shall be responsible for paying any line or service charge fees. The determination of the amount of said fees and/or charges are the direct responsibility of the Company and are to be included as a part of the contract price. This provision is material to this contract to insure compatibility of all computer functions with the system currently in use in Essex County.

The use of the municipality's on-line computer system is for the sole purpose of preparing the revaluation information for that municipality, any other uses of the system without the written consent of the Tax Assessor and Vital Communications, Inc. is prohibited.

The Company, at its own expense and if necessary, shall install the necessary data processing equipment in the Borough of Glen Ridge Assessment Office within thirty days of the contract approval by the State of New Jersey so as to allow the Tax Assessor or assessment personnel to periodically review the captured data, if this is deemed necessary by the Assessor. If available, the municipality will provide office space wherein data entry/encoding can be accomplished.

The Real Property Appraisal Manual of New Jersey, Third Edition, Volumes I and II and any updates must be computerized for the purpose of generating computer data files for residential properties.

Where the Cost Approach is to be utilized and applicable for commercial, industrial, special purpose and apartment properties the Company shall utilize the Marshall Swift Commercial Estimator Valuation Computer Software program to establish the value of these improvements.

Where the Income Approach is applicable for income producing or potentially income producing commercial, industrial, and apartment properties the Company shall utilize Microsoft Excel Software to create a template to establish the value of these types of properties. The Company shall create an individual property valuation data sheet on each property where the income approach is applicable. The data sheet shall include all key data element necessary to understand and estimate the value of the property utilizing the income approach to value.

The computer aided mass appraisal system must be integrated with the New Jersey Property Tax System MOD IV so that entry of the data can be made directly into the taxing districts Master File. The system must also be capable of producing the Added, Omitted, and Rollback Assessment valuation list, etc.

The Company in consultation with the Tax Assessor shall build the data base. The data files shall include all items of information in connection with the property such as, but not limited to, the block and lot number, owner's name and mailing address, property location, property classification, zoning, land size, improvements interior listing, age of improvements, depreciation, pricing data for each improvement as well as the final calculated values for land and improvements.

The Company shall provide if requested, seventy-five (75) hours of training for personnel in the Tax Assessment Office in the operation of the computer programs so that assessment staff personnel will be able to update the data base as changes occur upon completion of this revaluation project.

This does not include time required to discuss standards and procedures, etc.

The Borough of Glen Ridge shall receive the programs and any documentation necessary for maintaining and updating or expanding the computerized appraisal system which shall become the property of the Borough of Glen Ridge.

20. Photograph Requirements:

The revaluation of all properties shall include a minimum of the follow: two (2) **digital** color photos, front and rear of each parcel/line item/building of real property, one (1) digital color of any accessory structure (Carriage House, Detached Garage and/or Shed), and one (1) digital color photo of any Built In Pool located in the Borough of Glen Ridge. In the case of billboards, only a front picture shall be taken. Said pictures shall be properly and correctly identified by their corresponding block, lot, and qualifier if necessary. Additionally, the number/quantity of photos per block and lot shall also be specified.

Where there are multiple structures located on a property a sufficient number of pictures shall be taken to allow the tax assessor to view the complex completely.

In addition, the Company shall take additional digital color photos necessary to substantiate and identify a significant or unique valuation attribute, characteristic or feature that exists on a property that has a substantial positive or negative influence on the valuation of said property including accessory buildings. Said pictures shall be properly and correctly identified.

No photographs of vacant parcels shall be required.

The digital color photos must be transferred from the digital camera's memory card to the Vital Image System which is integrated with the Vital CAMA system.

The Company shall also print out a Calpic property record card from the Vital CAMA system for each line item of property located in the Borough and be delivered and filed with the Tax Assessor at the conclusion of the project.

All costs, charges and fees associated with the aforementioned photographic requirements are the direct responsibility of the Company and are to be included as a part of the contract price.

The photographs shall remain the property of Borough of Glen Ridge alone, and no unauthorized release of the photographs shall be permitted to any individual, group, business, company or any other person.

21. Special Reports:

At the request of the Tax Assessor, the Company may be required to prepare other special reports not specifically enumerated elsewhere in the specifications. These may include, but may not be limited to, spreadsheets for studies of values by neighborhood, general sales reports for specified periods of time, rental assumptions on class 4 properties and studies which compare pre-revaluation values to new proposed values / taxes, commonly known as impact reports.

The Company shall have the capability of generating reports based on sales prices, ratios, property type, property class, gross living area, room count, age of dwelling, lot size, zoning and neighborhood. **NO EXCEPTION TO THIS REQUIREMENT SHALL BE PERMITTED.**

The Company shall have the capability of generating reports by neighborhood that compare sales prices to new proposed assessments and that present the ratios for each property in the report. Based on this information, the Company shall have the ability to develop coefficient of dispersion studies. **NO EXCEPTION TO THIS REQUIREMENT SHALL BE PERMITTED.**

22. Land Valuation:

The Company shall collect and analyze all fair market land sales and demolition sales that occurred during the three years prior to the revaluation date in order to develop a market data approach. Any and all analysis or methodology(ies) utilized shall directly correlate to this market study. This study shall be provided to the Tax Assessor upon completion.

The Company shall prepare a sample format to be **approved** by the Tax Assessor prior to the actual use in valuing the land component. The identification of market trends is important and a paired sales analysis is to be used to determine and document such trends. Analysis shall include sales ratio studies and the development of general, segmented, and stratified coefficients of deviation. Data shall be secured from all available sources, compiled, checked, and analyzed for determination of land values. Factors affecting the value of land such as location, shape, size, topography, access to roads, railroads, and easements, use, etc. shall be carefully considered.

The Company, in consultation with the Tax Assessor, shall create neighborhood delineations/value control sectors (VCS's) which reflect the division of homogenous neighborhoods.

The Company shall establish site values for each parcel within the Borough of Glen Ridge utilizing the appropriate zoning requirements as a base. Any variations caused by parcel characteristics shall be determined as factors to be applied to the base cost to determine a final parcel valuation. Land valuers must be familiar with the process of valuations being affected by location, shape, size, topography, traffic, view, leases, railroads, wetlands, right of ways, easements and other forms of economic obsolescence.

Conservation easements, common areas and wetlands are to be valued uniformly throughout the Borough of Glen Ridge where applicable. Right of ways and easements are to be noted on the property data file and considered in the valuation process. If applicable, Qualified Farmland is to be valued according to its land use at rates provided by the State of New Jersey and at its highest and best use without farmland qualifications. (Two value estimates required)

The Company shall identify, quantify, analyze and value all abandoned Class II railroad property for local property tax purposes located within the Borough of Glen Ridge in accordance with the applicable New Jersey Statutes.

The Company shall also consider all State of New Jersey Department of Environmental Protection or Federal Environmental Protection Agency Declarations of Environmental Restrictions, Hazard areas, Groundwater Classification Exemption areas and other environmental deed restrictions must be noted in the property data file.

All land valuation calculations shall be recorded on the proper data files and carefully checked for accuracy. All computations from the base rate to the final calculated value shall be shown on the data files.

The Company shall prepare a land value schedule reflecting the final determined land rates. Said land value schedule shall include the site value as required by parcel zoning, value per square foot when applicable and any adjustments to be applied to the base site due to parcel characteristics.

Upon conclusion of the project, this schedule will be turned over to the Tax Assessor for his future use.

23. Residential Valuation (including all applicable Exempt Properties):

For the appraisal of residential properties, the most recent edition of the New Jersey Real Property Appraisal Manual shall be utilized. Residential schedules shall contain all variations from the base in order to price all types of wall construction, roofs, floors, heating, air-conditioning, plumbing, fireplaces, interior finish, finished attics, dormers, finished basements, built-ins, multi-family homes, decks, patios, porches and garages. The schedules shall show prices for various sizes as well as types and grades of construction.

The Company shall collect, analyze and create Microsoft Excel spreadsheets for all residential fair market sales that occurred during the three years prior to the revaluation date in order to develop the market data approach. The Company shall prepare a sample format to be approved by the Assessor that will be used in this approach to value. The identification of market trends is important and a paired sales analysis is to be used to determine and document such trends. Analysis shall include sales ratio studies by neighborhood VCS and by housing type/design. In addition, the Company shall prepare data analysis on general, segmented, and stratified coefficients of deviation all utilizing Microsoft Excel and Vital's CAMA System.

The Company should be aware that many subprime loans were made in the Borough of Glen Ridge and they shall consider the market value impact of same.

Prior to the commencement of residential field data collection, the Company shall consult with the Tax Assessor to obtain instructions as to the methodology for calculating the improvement assessment for the uniform treatment of split-level, bi-level style residential dwellings and homes with finished attic space and act in accordance with the assessor's determination.

A letter explaining the reasons for inspection shall be sent to all property owners that have refused the Company permission to inspect their property. This is at the expense of the Company. A second Certified letter shall be sent to those properties that were not inspected after three attempts to contact said owners. This is at the expense of the Company.

The Company shall make a Third and final attempt/sweep of the Borough to gain permission to make an interior inspection of all real property. Upon completion of the inspection phase of the revaluation the Company shall supply the assessor with a list of all properties that were estimated and the percentage of successful interior inspection completed.

If applicable, all farm buildings are to be properly measured, classified and valued. Two values are required for farmland: as qualified, and if not qualified specific documentation is required with proper exhibits for each parcel.

The cost conversion factor shall be determined through market studies and shall be substantiated by written documentation. Use of the final cost factor shall be made only after consultation with the Tax Assessor.

The depreciation factors shall be determined through market studies and shall be substantiated by written documentation. Physical, functional and economic depreciation and/or appreciation observed by any data collector must be recorded separately on the data file and explained in writing for each property. The final net condition is to be reflected in the improvement calculation. The concept of effective age shall be used.

Photographs of all residential properties are to be in compliance with Section 20 of this contract entitled "Photograph Requirements."

24. Commercial, Industrial, and Apartment Valuations (including all applicable) Exempt Properties:

For the appraisal of commercial, industrial and apartment properties, all applicable approaches to value shall be considered and utilized as required by real estate appraisal industry standards and Tax Court precedent(s).

For all Class 4 properties, each property record card file, to be delivered and filed in the Tax Assessor's office at the conclusion of the revaluation, shall include all information used at estimating the assessed value for the property. Including but not limited to applicable documents and information a Marshall Cost Sheet (including the P-list), sales comparison valuation grid, a complete description of use(s), building and site improvement sketch/measurements (including ceiling heights), and income approach to value (outlining income and expenses) shall be required (Microsoft Excel Income Approach to Value data sheet).

If the Cost Approach is applicable Marshall Swift Valuation Service shall be utilized for estimating the value. In addition, the Company shall supply a valid copy and one (1) year subscription of the Marshall Swift Commercial Estimator Software program to the Tax Assessor for their use.

The Company shall collect and analyze the local and regional market as necessary to analyze all commercial, industrial and apartment market rates, rentals and expenses in order to estimate supportable indication(s) of value. In addition, all sales that occurred during the three years prior to the revaluation date shall be analyzed to develop all the necessary valuation approaches to value as of the applicable assessing date. The Company shall prepare an Excel spreadsheet sample format to be approved by the Tax Assessor that will be used in these approaches to value. The identification of market trends is important and a paired sales analysis is to be used to determine and document such trends. Analysis shall include unit values based on the type of property being analyzed, i.e. (apartments – \$ per unit, office building – \$ per square foot).

All properties that are income or are potential income-producing properties shall have a written report outlining the factors used to develop the income approach valuation. The Company shall prepare and request income and expense statements (Chapter 91's), under the Borough's letterhead, on any income-producing properties by certified mail, return receipt requested, pursuant to **N.J.S.A.** 54:4-34 under the Tax Assessor's signature. Preparation and mailing costs for these requests shall be at the Company's expense and included in their revaluation proposal. **Important:** The Company shall prepare and Excel spreadsheet of the income and expense data returned outlining the income and expense data for use by the Assessor's office.

In the case where no income and expense data was returned or made available and/or the Company must estimate same an Excel spreadsheet shall be made and submitted to the Tax Assessor and the Borough's Review Appraiser for approval and also to familiarize and review the review of same prior to setting a final value for each property.

The Company shall analyze all income and expense statements received and investigate lease and rentals for the purpose of establishing economic rents and gross rent multipliers, when applicable.

Each component used in the construction of the Capitalization rates to be used for the different types of income producing properties shall be obtained from the market, documented, and discussed with the Tax Assessor and their Class 4 review appraiser/expert prior to estimating the final values on all Class 4 properties.

Site improvements such as lighting and paving are to be identified, enumerated and valued as accessory items as necessary.

Depreciation factors shall be determined through market studies and shall be substantiated by written documentation. Physical, functional, and economic depreciation and/or appreciation observed by an appraiser must be recorded separately on the data file and explained in writing for each property when applicable. The final net condition is to be reflected in any calculations.

Photographs of all Commercial and Industrial properties are to be in compliance with section 20 of this contract entitled "Photograph Requirements."

In the comments section of the CAMA file (F1 screen) a description of the property shall be entered. It shall include the total square footage of the building, number of units, number of buildings, a breakdown of the type of space (i.e. retail, office, apartment, warehouse, etc. & their corresponding square footage).

The capitalization rate(s), effective tax rate and other key metrics regarding the income approach to be utilized in establishing the assessed values shall be discussed and approved by the Tax Assessor and the Municipal review appraiser prior to use in the revaluation.

25. Commercial, Industrial, Apartment (Class 4) Valuation Review:

The Company agrees to work with the Borough of Glen Ridge's revaluation review appraiser/expert which includes but is not limited to the following:

- The Review Appraiser shall review all 24 Class 4 and the top 10 Class 2 valued properties located in the Borough prepared by the Revaluation Company.
- The Revaluation Company shall inspect Mountainside Hospital and Glen Ridge Country Club with the Review Appraiser to jointly collect all the necessary empirical data necessary in establishing the fair and equitable value for same.
- The Revaluation Company, the Review Appraiser and the Tax Assessor shall meet prior to any Commercial, Industrial or Apartment property valuation(s) commences to discuss and decide upon key metrics utilized in valuing these types of properties. These items include but are not limited to overall capitalization rates, equity dividend rates, mortgage constants, effective tax rates, vacancy and credit loss percentages, and operating expense ratios.
- The Review Appraiser shall report the results of his review(s) directly to the Tax Assessor. The Tax Assessor is responsible for considering, approving and communicating any changes or recommendations to value or methodology to the Revaluation Company.
- The Revaluation Company at a minimum will provide the Review Appraiser with all their data, digital photos, analysis and value estimates on the 24 class 4 properties and the top 10 class 2 valued properties located in the Borough at least sixty (60) days prior to January 10, 2013 so as to provide sufficient time for him to diligently perform his work in a timely manner so as not to hold up the filing of the 2013 tax list. Failure of the revaluation company to timely deliver the valuation estimates as outlined herein may result in a \$250.00 per day penalty.
- The Tax Assessor shall be the sole determinant if the work performed by the Review Appraiser is satisfactory.

26. Billboard Valuation and Identification:

The Company shall as a part of this revaluation, identify and value for assessment purposes all billboards located within the Borough of Glen Ridge in accordance with Chapter 42, Public Laws of 2004.

As with the appraisal of other real property for local property tax purposes, the three (3) accepted approaches to value (income, sales comparison, and replacement cost less depreciation) are applicable to the valuation of billboard structures and shall be considered and utilized in determining their taxable value in conjunction with this revaluation project.

Photographs of all Billboards are to be in compliance with section 20 of this contract entitled "Photograph Requirements."

27. Cellular Telephone Antennas

The Company shall as a part of this revaluation, identify, report and value for assessment purposes all cellular antenna towers or building mounted antenna located within the Borough of Glen Ridge on the property which they are located.

28. Added Assessments and Partial Assessments:

The Company shall be responsible for valuation of all new construction, additions and alterations up to and including October 1, 2012. If a new home is under construction at the time of the field investigation, a notation of "P" for partial assessment shall be placed on the computerized Mod IV and Vital CAMA system in order that it can be retrieved in an expeditious manner for further review. Prior to finalization of values, a field review shall be made of these incomplete property improvements. Upon review, if the construction is substantially completed for its intended use, the value shall be determined as if it were complete. Should construction remain incomplete, the Company shall note the a comment in the CAMA system of the percentage complete observed at the time of inspection and consult with the Tax Assessor to determine the procedure in order that the valuation is appropriate.

The Company shall provide the Tax Assessor an Excel Spreadsheet for his review a description of the added assessment, including the Block, Lot, Qualifier, Property Location, a description of the added assessment, the dollar amount of the added assessment and number of months prorated for his records. Importantly, once the added assessment spreadsheet has been reviewed and approved by the Tax Assessor the Company shall be responsible for inputting said data into the Mod-IV tax record system in a timely manner as prescribed by the Essex County Tax Board.

The Company shall be responsible for providing the Tax Assessor a Microsoft Excel Spreadsheet outlining all new and existing Partial Assessments and the percentage complete including a description of same.

The Borough shall provide access to any and all building permits necessary for the purpose of adhering to the added assessment law.

29. Neighborhood Delineation / VCS Map:

At the commencement of this project, the Company shall tour (physically drive) the entire municipality with the Tax Assessor and any of their representatives to establish a neighborhood delineation/Value

Control Sector (VCS) map. The purpose is to seek the Tax Assessor's input, to define homogeneous areas, traffic streets, flood prone areas and any other pertinent valuation data which may affect the fair and equitable valuation of the Borough. In addition, the map shall include the boundaries for each VCS/Neighborhood (Value Control Sector) delineated by the Company and include land use zone, the boundaries for each neighborhood control sector and any FEMA flood zones that exist throughout the Borough.

Once approved by the Tax Assessor, the Neighborhood/VCS map shall be completed and transmitted to the Assessor within 30 days.

The neighborhood delineation/VCS map shall be provided to the Tax Assessor in both a PDF format as well as in a (24' x 36") framed paper color copy. The map shall also be posted on the Company's web site for interested parties to view. All costs, charges and fees associated with the aforementioned Neighborhood / VCS map requirements are the direct responsibility of the Company and are to be included as a part of the contract price.

30. Property Owner Notification and Property Owner Review Hearings:

The Company shall comply with all aspects of N.J.A.C. 18:12-4.9 concerning Taxpayer review procedures. No valuation notification letters are to be mail to any property owner prior to November 10, 2012.

Upon determination of property values the Company shall, at its own expense, notify each property owner of the valuation. This notice shall include a summary of the property data used to determine the valuation. This notice shall also advise the property owner of his/her right to attend an individual informal review of the valuation at a designated location within the Borough of Glen Ridge. The Company shall schedule sufficient time to fully review and discuss the valuation with interested property owners. The Company should make every attempt to complete informal reviews on or before December 15, 2012. The form and content of said notice is to be reviewed and approved by the Tax Assessor prior to release.

Upon completion of informal reviews, a written record of each hearing held shall be provided to the Tax Assessor for his/her review. Revisions resulting from taxpayer reviews shall only be made with the consent of the Tax Assessor and each property owner shall be informed of same, in writing, by the Company before December 30, 2012.

31. Records and Computations to Become Property of the Borough of Glen Ridge:

The Company shall comply with all aspects of N.J.A.C. 18:12-4.11 concerning Delivery and summary.

Upon conclusion of all property owner reviews and acceptable revisions, the Company shall meet with the Tax Assessor to finalize all aspects of this project. The purpose of this meeting shall be to transmit to the custody of the Tax Assessor the original or a suitable copy of all records and computations of the Company pertaining to any appraisal of property in the Borough of Glen Ridge, if not previously requested and received. The deliverables shall consist of, but not limited to:

1. Computerized Calpic property record card for each residential property. A Marshall and Swift and income approach print out for all class 4 and class 15 properties. A copy of the income capitalization approach to value for each property it has been prepared for.
2. All photos to be entered and retrievable in Vital CAMA through the use of the Vital Image program.

3. Land valuation data including the land value map.
4. Sales data collected for use in the appraisal process including comparable sales studies, sales ratio studies, sales map, and the sales book.
5. A completed Page 8 Formula.
6. An assessment impact report that details each properties increase/decrease in assessment as it relates to the breakeven tax analysis.
7. The partial assessment Excel spreadsheet listing.
8. Neighborhood / VCS map.
9. Data relative to the determination of cost conversion factors and depreciation schedules.
10. Excel spreadsheet outlining data relative to rentals utilized, operating statements of income properties, and capitalization rate studies.
11. Data relative to general, stratified, segmented and weighted coefficient of deviation studies.
12. Data processing information pertaining to the format of the computer systems used in the project.
13. Complete Vital CAMA data,
14. Computer tapes containing property data files which will produce the Tax Assessor's records to be used in the development of the certified tax list. These tapes shall be in a format consistent with the New Jersey Property Tax System MOD IV.
15. Any other records pertaining to the revaluation program.

32. Defense of Values:

The Company shall be responsible for defending all valuations rendered to the Borough of Glen Ridge that may be appealed to the Essex County Board of Taxation for the Tax Years 2013 and 2014.

The definition of a proper appeal defense shall include the following:

- A. An individual to testify with a Certified Tax Assessor License or Licensed Real Estate Appraiser who holds a valid CTA, SCCREA or SCGREIA license.
- B. Has previous experience as a qualified expert witness before the Tax Court of New Jersey and is acceptable to the Tax Assessor.
- C. They should be knowledgeable with and shall have inspected the interior and exterior of properties prior to an appeal hearing.
- D. For County Tax Board appeals, an appraisal comparison grid including 3 to 5 comparable sales detailing key features of the subject property and comparable sales I.E. lot size, square foot living area of the improvements, bath count, style of dwelling, unit count, etc.
- E. Photographs of the subject property and comparable sales being utilized shall also be included and presented.

- F. Shall include proper compliance with all County Tax Board rules and procedures including the timely exchange and submission of appraisal(s) to be relied upon at the time of the hearing/trial.

The aforementioned provisions relate to a two (2) year period and all costs, charges and appraisal fees associated with the defense of the Borough's valuations/assessments are the direct responsibility of the Company and are to be included as a part of the contract price.

33. Page 8 Formula Calculation:

The Company shall assist the Tax Assessor in calculating the Page 8 Formula on or about December 15, 2012 after values have been finalized and submitted to the assessor for review.

The final calculation of the Page 8 Formula shall be no later than December 30, 2012, or after hearings have been concluded and final changes made, whichever occurs FIRST.

34. Affirmative Action:

The Company is required to comply with the affirmative action requirements of P.L. 1975, c. 127, **N.J.S.A.** 10:5-31 *et seq.* (P.L. 1975, c. 127) as amended and supplemented and the rules and regulations promulgated pursuant thereto, and the provisions set forth in the State of New Jersey Equal Employment Opportunity Provisions for Professional Service Contracts and other Borough of Glen Ridge Ordinances pertaining to affirmative action.

35. Quality and Progress Control

The Company shall utilize a quality control program as outlined and attached to this contract as **Appendix E** or any other format approved by the Essex County Board of Taxation. Upon request of the Tax Assessor or the Essex County Tax Administrator the Company shall submit copies of all quality control reports for review so as to ensure that the program guidelines are being adhered to throughout the project.

Please note the Company shall submit monthly revaluation progress reports as outlined herein and in accordance with N.J.A.C. 18:12-4.8 (iii, iv and v).

Upon the conclusion of the valuation phase of the revaluation the revaluation company shall run a valuation impact report comparing the percentage change from the old assessed value to the new proposed assessed value. The valuation impact report shall be run in block and lot order as well as in ascending order of percentage increase to percentage decrease. Said reports are to be submitted to the tax assessor for his/her review and use.

In addition, the revaluation company shall prepare a written report identifying the top 50 properties with the greatest increase in percentage change as well as identify 50 properties with the greatest decrease in percentage change in value. Said written report shall be submitted and reviewed in person with the tax assessor and or his representatives at least ten (10) days prior to the filing of the official tax list with the County Board of Taxation.

36. Compliance with Federal, State and Local Law:

The Company shall comply all applicable laws, ordinances, and codes of the United States, the State of New Jersey and local governments within the State.

37. Termination of Agreement for Convenience:

The Borough may terminate the Company's services in whole or in part for any reason at any time before completion. In that event, the Company shall be given twenty (20) days notice by the Director of Purchasing of such termination specifying the effective date thereof. Compensation shall be paid to the Company pursuant to the terms of the contract for the work actually performed prior to such date. No damages of any nature shall be claimed against the Borough of Glen Ridge in the event it exercises this right of termination. The rights and remedies available to the Borough of Glen Ridge in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

All notices to be given by one party to the other under this Contract shall be considered given when sent by one party to the other by certified mail, return receipt requested, addressed as follows:

To the Tax Assessor: Mr. George F. Librizzi, Tax Assessor
 Borough of Glen Ridge
 PO Box 66 – 825 Bloomfield Avenue
 Glen Ridge, NJ 07028

To the Company:

38. Indemnification:

The Company agrees to defend, indemnify protect, and save harmless the Borough and its subsidiaries and their boards, employees, agents and servants from and against any and all law suits, claims, demands or damages of whatsoever kind or nature but only to the extent they arise out of any act, error or omission, or failure to exercise such care as is customary in the profession by the Company, its agents, servants and employees in the performance of any and all services pursuant to this Agreement. Such indemnification shall include, but is not limited to, expenditures for and costs of investigations, hiring of expert witnesses, court costs, counsel fees, settlements, and judgments or otherwise.

The Company is an independent professional firm contracting with the Borough to provide specialized services. The Company, its officers, partners, employees, agents, and servants are not to be deemed employees, agents or servants of the Borough. The Company assumes full responsibility for liability arising out of their conduct whether by action or inaction. The Borough assumes no liability or responsibility for the acts of the Company, its officers, partners, employees, agents or servants by virtue of entering into this Agreement.

39. Compliance with Public Contracting and Campaign Finance Laws:

The selection of Qualified Companies is subject to the provisions of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., the provisions of "New Jersey Local Unit Pay-to-Play" Law, N.J.S.A. 19:44A-20.4 et seq. The Borough has structured a procurement process that seeks to obtain the desired results described above, while establishing a competitive process to assure that each person and/or firm is provided an equal opportunity to submit a sealed Proposal in response to this RFP. Responses to this RFP will be evaluated in accordance with the criteria set forth, which will be applied in the same manner to each response received.

The Company is advised of the responsibility to file an annual disclosure statement on political contributions with the New Jersey Enforcement Commission pursuant to N.J.S.A. 19:44A-20.13 (P.L.

2005, c.271, s.3), if the Company receives contracts in excess of \$50,000.00 from public entities in a calendar year. It is each Respondent's responsibility to determine if filing is necessary. Additional information on this requirement is available from ELEC at 888-313-3532 or at www.elect.state.nj.us

**Execution of Contract
For The
BOROUGH OF GLEN RIDGE
Property Revaluation Program**

BY: _____
Peter A. Hughes, Mayor

Witnessed by:

BY: _____
George F. Librizzi, Tax Assessor

Michael J. Rohal, RMC
Municipal Clerk

NAME OF COMPANY

Witnessed by:

BY: _____
Name and Title

BY: _____
Name and Title

DATE: _____

DATE: _____

**State of New Jersey, Division of Taxation
Revaluation Contract Approval
For The
BOROUGH OF GLEN RIDGE**

The foregoing agreement is hereby approved this _____ day of _____, 2012, pursuant to P.L. 1971, Chapter 424.

Director, Division of Taxation, State of NJ

DATE: _____

APPENDIX A
BOROUGH OF GLEN RIDGE
PROPERTY CLASSIFICATION SUMMARY

<u>PROPERTY CLASSIFICATION</u>	<u>NUMBER OF LINE ITEMS</u>
VACANT LAND (Class 1)	6
RESIDENTIAL (Class 2)	2,293
FARM QUALIFIED (Class 3A)	0
FARM REGULAR (Class 3B)	0
COMMERCIAL (Class 4A)	21
INDUSTRIAL (Class 4B)	0
APARTMENTS/MULTIFAMILY (Class 4C)	3
EXEMPT PUBLIC SCHOOL (Class 15A)	7
EXEMPT OTHER SCHOOL (Class 15B)	0
EXEMPT PUBLIC PROPERTY Class 15C)	37
EXEMPT CHARITABLE (Class 15D)	11
EXEMPT CEMETERIES (Class 15E)	1
EXEMPT MISC. (Class 15F)	9

NOTE: THE PROPOSAL PRICE SHALL BE BASED UPON THE ABOVE LINE ITEM COUNT. ANY REQUIRED CHANGES TO THE LINE ITEM COUNT BY THE TAX ASSESSOR LISTED HEREIN SHALL NOT BE USED TO ADJUST SAID PROPOSAL AMOUNT.

APPENDIX B

LIST PROJECT MANAGER/SUPERVISOR(S) TO BE RESPONSIBLE (IN CHARGE) OF ENTIRE PROJECT

APPENDIX C

BACKGROUND INVESTIGATION RELEASE

BOROUGH OF GLEN RIDGE POLICE DEPARTMENT CONSENT FORM

The undersigned hereby authorizes the Borough of Glen Ridge or any of their agents, representatives, or employees to obtain information concerning my personal background, including my driving record or any criminal record I may have, whether by utilizing the resources of the Federal and State governments (including but not limited to the NCIC and SCIC computer networks) or any other investigative sources.

NAME (PLEASE PRINT OR TYPE)

DRIVER LICENSE NUMBER

SIGNATURE

DATE _____

WITNESS

APPENDIX D
BOROUGH OF GLEN RIDGE
BREAKDOWN OF MAJOR TASKS OF REVALUATION PROJECT

BREAKDOWN OF PAYMENT SCHEDULES

PROJECT TASK	TASK %	VALUE
1. PLANNING, ORGANIZATION and PERFORMANCE BOND POSTED	10%	\$
2. DATA COLLECTION & ENTERED IN THE CAMA SYSTEM (25% OF TOTAL)		
A. RESIDENTIAL & VACANT LAND	15%	\$
B. COMM/IND/APT. PROPERTIES	5%	\$
C. EXEMPT PROPERTIES	4%	\$
D. FARM PROPERTIES	1%	\$
3. ANALYSIS and VALUATION (20% OF TOTAL)		
A. RESIDENTIAL and VACANT LAND	10%	\$
B. COMM/IND/APT. PROPERTIES	5%	\$
C. EXEMPT PROPERTIES	4%	\$
D. FARM PROPERTIES	1%	\$
4. FIELD REVIEW (20% OF TOTAL)		
A. RESIDENTIAL and VACANT LAND	10%	\$
B. COMM/IND/APT	5%	\$
C. EXEMPT PROPERTIES	4%	\$
D. FARM PROPERTIES	1%	\$
5. TAXPAYER HEARINGS	10%	\$
6. PROJECT FINALIZATION	5%	\$
	90%	\$
7. RETAINAGE	10%	\$
TOTAL	100%	\$

3/14/12

APPENDIX E
SUMMARY SHEET
RESIDENTIAL QUALITY ASSURANCE WORKSHEET

BLOCK: _____ LOT: _____ QUAL: _____ VCS: _____

PROPERTY LOC: _____

FIELD REVIEWED:
 EXTERIOR: SALES: _____ RANDOM SAMPLE: _____
 INTERIOR: SALES: _____ RANDOM SAMPLE: _____

EMPIRICAL DATA REVIEWED

ELEMENTS	AS RECORDED BY INSP.	REVIEWER
1. BUILDING SKETCH		
2. STYLE and STORY HEIGHT		
3. BASEMENT / CRAWL / SLAB		
4. ROOM COUNT		
5. FINISHED BASEMENT.		
6. BATH COUNT		
7. HEAT TYPE		
8. CENTRAL A/C		
9. FIREPLACE(S)		
10. WD/PATIO/BI POOL		
12. LAND ARE CALCULATION		
TOTAL		

CONCLUSION

VCS: ACCEPTED _____

VCS: REJECTED TO BE REVIEWED _____

SUPERVISOR / REVIEWER _____ DATE _____

SIGNATURE

SUPPLEMENTAL ADDENDA

BOROUGH OF GLEN RIDGE

1. All zoning designations, tax map page number are to be encoded in the MOD-IV on-line tax record system if they are missing.
2. For all class 4 and class 15 properties in the computer aided mass appraisal program on the F1 screen under comments, a general description of the property shall be entered (I.E. retail, mixed-use, office, warehouse, apartment, municipal building, school, church) along with the number of units and gross building area since these types of properties will be valued utilizing other systems.
3. 3 (quantity) - Honn 600 series Brigade Legal Size Lateral Filing Cabinets - to be supplied to hold 2,500 property record card files. Description Charcoal color, size: 1 – 5 drawer 42” wide lateral filing cabinet and 2 – 5 drawer 30” wide lateral filing cabinets.
4. 2,300 (92 Boxes) Blue Legal Hanging File Folders – Pendaflex ESS-415315BLU
5. 25 (1 Box) Green Legal Hanging File Folders – Pendaflex ESS-415315BGR
6. 25 (1 Box) Yellow Legal Hanging File Folders – Pendaflex ESS-415315YEL
7. 75 (3 Boxes) Red Legal Hanging File Folders – Pendaflex ESS-415315RED
8. 2,300 (23 Boxes) Blue Legal Straight File Folder – Smead SMD-17010
9. 100 (1 Box) Green Legal Straight Tab File Folder – Smead SMD-17110
10. 100 (1 Box) Yellow Legal Straight Tab File Folder – Smead SMD-17910
11. 100 (1 Box) Red Legal Straight Tab File Folder – Smead SMD-17710
12. Printed folder labels – each property card folder is to have a 1” x 3” label placed on the left hand upper corner of the folder. It shall be printed with the Block, Lot, Qualifier and Property Location in a 12pt. Arial Bold Font. A sample of the label and the procedure is to be discussed with the tax assessor prior to the work being performed.
13. Clerical assistance to transfer all the newly created property record cards (CalcPic – print outs, Marshall & Swift printouts, Excel income approach printouts) and certain information from the old property record card files to the new files and file cabinets being provided under this contract.

All of aforementioned supplemental items are to be the direct responsibility of the Company and are to be included as a part of the contract price.

3/14/12