

Res. 18178

CONSULTING SERVICES AGREEMENT

THIS AGREEMENT, made and entered into on this 22nd day of May, 2013, by and between **JACKSON COUNTY, MISSOURI**, hereinafter called "the County," and **TODD APPRAISALS, INC.**, P.O. Box 7215, Kansas City, MO 64113, hereinafter called "Appraiser."

WITNESSETH:

WHEREAS, by Request for Proposal No. 36-13 (hereinafter "RFP"), County sought proposals from an independent professional appraisal service for an appraisal consulting assignment; and,

WHEREAS, Appraiser has the expertise to provide such service; and

WHEREAS, Appraiser has agreed to perform this consulting work in accordance with the terms, conditions, and covenants as set forth in this Agreement; and,

WHEREAS, by Resolution No. 18178, dated May 20, 2013, County awarded a contract to Appraiser on RFP No. 36-13 and authorized the County Executive to execute the documents necessary to the accomplishment of the award;

NOW, THEREFORE, in consideration of the foregoing and the terms and provisions herein contained, the County and Appraiser respectively agree as follows:

1. Appraiser shall provide specialized advice relating to the review of procedures for assessing real property for tax purposes, including modeling programs and systems, documentation procedures, and tools for determine value, as is more specifically set out in Appraiser's proposal, attached hereto as Exhibit A, and incorporated herein by reference.

<p>FILED</p> <p>JUN 28 2013</p> <p>MARY JO SPINO COUNTY CLERK</p>
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2. Appraiser shall work as an independent contractor and not as an employee of the County. Appraiser shall be subject to the direction of the County only as to the result to be accomplished and not as to the means and methods for accomplishing the result. Appraiser shall report all earnings received hereunder as its gross income, and be responsible for its own Federal, State, and City withholding taxes and all other taxes, and shall operate its business independent of the business of the County, except as required by this Agreement.

3. County shall pay Appraiser a fee under this Agreement not to exceed \$23,000.00, payable in three equal payments of \$7,666.66 each. Appraiser shall invoice for services performed under this Agreement, and County shall make timely payment to Todd Appraisal, Inc.

4. Appraiser shall bear all of the expenses of its work under this Agreement.

5. The terms of this Agreement shall be effective May 20, 2013, and shall extend to July 20, 2013, unless sooner terminated. Appraiser or the County may terminate this Agreement for any reason by giving thirty (30) days' written notice to the other party. Termination of this Agreement shall not constitute a waiver of the rights or obligations which the County or Appraiser may be entitled to receive or be obligated to perform under this Agreement for services prior to the date of termination. Should this Agreement terminate, all County written materials of any kind must be delivered and returned by the Appraiser to the County within ten (10) days of the termination of this Agreement. If the County cancels this Agreement prior to the completion of the engagement, Appraiser shall be entitled to a fee based on a percentage of the work actually completed.

At the agreement of both parties, this agreement may be extended after the conclusion of the initial term. If this Agreement is extended, Appraiser's duties and corresponding compensation will be updated and modified by mutual agreement of the parties.

6. Appraiser agrees, in addition to all other provisions herein, that Appraiser shall not assign any portion or the whole of this Agreement without the prior written consent of the County.

7. Timely performance of all duties provided herein is of the essence of this Agreement.

8. Appraiser agrees to faithfully observe and perform all of the terms and conditions of this Agreement, and Appraiser's failure to do so shall represent and constitute a breach of this Agreement. In such event, Appraiser consents and agrees as follows:

(1) The County may without prior notice to Appraiser immediately terminate this Agreement; and,

(2) The County shall be entitled to seek any available legal remedy and to collect from Appraiser all costs incurred by the County as a result of said breach including reasonable attorney's fees, costs, and expenses.

9. If any covenant or other provision of this Agreement is invalid, or incapable of being enforced, by reasons of any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

10. Appraiser warrants that no officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of this Agreement.

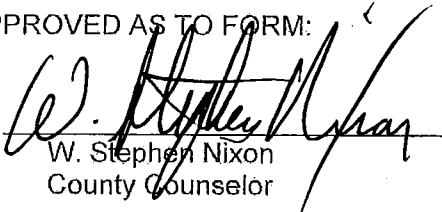
11. Appraiser shall treat all information, not generally and publicly available, learned in the course of providing the Services as confidential, and Appraiser hereby agrees not to directly or indirectly disclose such confidential information to any third party. Appraiser will use the Confidential Information solely in connection with providing Services hereunder and will disclose the Confidential Information only to those of its employees, associates and agents who have a bona fide need to know such information in order to further the purposes of this Agreement.

12. This Agreement incorporates the entire understanding and agreement of the parties.

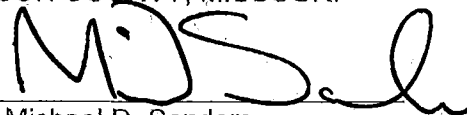
(Signature page to follow)

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the dates first written above.

APPROVED AS TO FORM:

By 
W. Stephen Nixon
County Counselor

JACKSON COUNTY, MISSOURI

By 
Michael D. Sanders
County Executive

ATTEST:

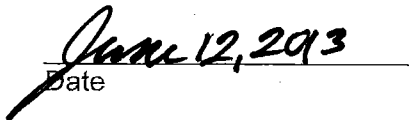

Mary Jo Spino
Clerk of the Legislature

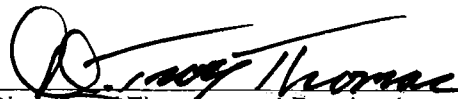
TODD APPRAISALS, INC.



REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$23,000.00 which is hereby authorized.


Date


Director of Finance and Purchasing
Account No. 045-1902-56080

19022013003

**Exhibit A
Res. 18178**

TODD APPRAISAL
RIGHT ON VALUE, RIGHT ON TIME



date:
May 19, 2013

To:
Office of the Jackson County Purchasing Department
Room G-1, Ground Floor
Jackson County Courthouse
415 E 12th Street
Kansas City, MO 64106

Re:
RFP No. 36-13

From:
Jason Ormiston
Todd Appraisal, Inc.
PO Box 7215
Kansas City, MO 64113
816.822.2424
toddappraisal.com

Office of the Jackson County Purchasing Department
Room G-1, Ground Floor
Jackson County Courthouse
415 E 12th Street
Kansas City, MO 64106

RE: Request for Proposal No. 36-13

May 19, 2013

To Whom It May Concern:

Enclosed is our proposal response to RFP No. 36-13 for technical expertise in the area of Property Appraisal for the Jackson County, Missouri Assessment Department. All questions and comments regarding any enclosed materials may be directed to me. We look forward to hearing a proposal decision.

Regards,



Jason Ormiston
Todd Appraisal
1021 W 68th Terrace
Kansas City, MO 64113
816-822-2424
jormiston@toddappraisal.com

AFFIDAVIT

STATE OF Missouri)
COUNTY OF JACKSON) SS.

_____ of the City of Kansas City
County of Jackson State of Missouri being duly sworn on her or his oath, deposes and says;

1. That I am the Dave (Title of Affiant) of Todd Appraisal, Inc (Name of Respondent) and have been authorized by said Respondent to make this Affidavit upon my best information and belief, after reasonable inquiry as to the representations herein.
2. No Officer, Agent or Employee of Jackson County, Missouri is financially interested directly or indirectly what Respondent is offering to sell to the County pursuant to this Invitation (though no representation is made regarding potential ownership of publicly traded stock of respondent).
3. If Respondent were awarded any contract, job, work or service for Jackson County, Missouri, no Officer, Agent or Employee of the County would be interested in or receive any benefit from the profit or emolument of such.
4. Either Respondent is duly listed and assessed on the tax rolls of Jackson County, Missouri and is not delinquent in the payment of any taxes due to the County or Respondent did not have on December 31, 2012 any property subject to taxation by the County and if respondent is duly listed and assessed on the tax rolls of Jackson County, Missouri, respondent agrees to permit an audit of its records, if requested by the Jackson County Director of Assessment, as they relate to the assessment of Business Personal Property.
5. Respondent has not participated in collusion or committed any act in restraint of trade, directly or indirectly, which bears upon anyone's response or lack of response to the Invitation.
6. Respondent certifies and warrants that Respondent or Respondent's firm/organization is not listed on the General Services Administration's Report of Debarred and/or Suspended Parties.
7. Respondent certifies and affirms its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.
8. Respondent certifies and affirms that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

Todd Appraisal (Name of Respondent)
By: _____ (Signature of Affiant)
Supervisory Appraiser Dave (Title of Affiant)

Subscribed and sworn to before me this 20 day of May, 2013

Kristin Rijowski
NOTARY PUBLIC in and for the County of JACKSON (SEAL)
State of MISSOURI
My Commission Expires: 05/13/16

KRISTIN RIJOWSKI
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires May 13, 2016
Commission # 12340977

JACKSON COUNTY, MISSOURI
COMPLIANCE REVIEW FORM

Report Date: 5/20/2013 (All reports expire annually on December 31st)

DIRECTIONS FOR COMPLETION:

Please fill out form completely. If a question refers to "past report" and this is your first one, place "1st Report" in the blank. If a question addresses an area which does not apply to your company, such as (subcontractors), place "N/A" in the blank. Please be sure this and subsequent reports are SIGNED AND DATED. If you have any questions, please call our office at (816) 881-3467.

Mail/Fax or Email reports to:
Tom Wyrsh
Contract Compliance Review Director
415 East 12th Street - 2nd Floor
Kansas City, Missouri 64106
EMAIL: cro@jacksongov.org
FAX: (816) 881-1223

1. COMPANY DESCRIPTION:

Name of Company Todd Appraisal, Inc.
Street Address 1021 W. 68th Ter
City Kansas City State MO Zip 64113
Email Address: jormiston@toddappraisal.com
Website Address: toddappraisal.com
Area Code 816 Telephone Number 822-2424
Representative Name Jason Ormiston

2. COMPANY STATISTICS:

- A. Total number of Employees 4
B. Total Number of Employees who are:
1. Women 3 4. Asian _____
2. Hispanic _____ 5. American Indian _____
3. Black _____ 6. Other _____

- | | YES | NO | N/A |
|---|-----|-----|---------------------|
| 3. Has your company advertised for applicants since your report?
<u>If so, please attach a list of publications in which ads appeared, the dates of advertising, and copies of such advertisement</u> | ___ | ___ | <u>X</u> 1st Report |
| 4. Has there been an effort since your last report to further orientate supervisors and key personnel to the spirit and intent of the program?
<u>If so, please attach a detailed report of such efforts</u> | ___ | ___ | <u>X</u> |
| 5. Have there been any adjustments in your job prerequisites or your recruiting and intake procedures?
<u>If so, please attach a narrative of such efforts.</u> | ___ | ___ | <u>X</u> |

- | | YES | NO | N/A |
|---|-----|-----|----------|
| 6. Has any effort been made since your last report in disseminating your policy to all your employees or in encouraging them to refer Minorly or Female applicants?
<u>If so, please attach a narrative of such efforts.</u> | ___ | ___ | <u>X</u> |
| 7. Are you attaching any other comments or concerns which you would like to have reviewed as part of determining compliance with your programs? | ___ | ___ | <u>X</u> |

List all minority contractors/suppliers (Minority Owned Business Enterprises MBE or Women Owned Business Enterprises WBE) with which you have contracted during this reporting period.

NAME OF COMPANY 1st Report
STREET ADDRESS _____
REPRESENTATIVE NAME _____
TELEPHONE NUMBER _____
EMAIL ADDRESS _____
WEBSITE ADDRESS _____
PRODUCTS, SERVICE, AREA OF SCOPE OF WORK:

DURATION OF CONTRACT 1st Report
AMOUNT OF CONTRACT _____

REPEAT THE ABOVE INFORMATION ON A SEPARATE SHEET FOR ADDITIONAL MBE/WBE FIRMS WITH WHOM YOU HAVE CONTRACTED.

Figures of Employment Analysis section of this report was obtained from:

- | | YES | NO |
|--------------------------|-----|-----|
| 1. Available employment | ___ | ___ |
| 2. Visual check | ___ | ___ |
| 3. Other (specify) _____ | ___ | ___ |

This Compliance Review Form was prepared and submitted by:



Signature

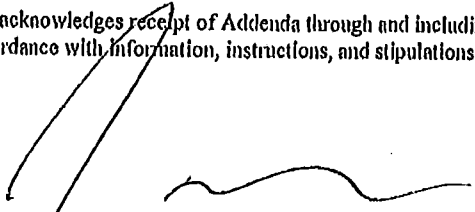
Jason Ormiston, Supervisory Appraiser/Owner
Name and Title

05/19/2013
Date

I certify that all answers and information herein contained are true to the best of my knowledge, and I understand that any mis-statement of fact may subject this company to non-compliance procedures.

ACKNOWLEDGMENT OF RECEIPT OF ADDENDA

The undersigned acknowledges receipt of Addenda through and including numbers _____ and that this Proposal is submitted in accordance with information, instructions, and stipulations set forth therein.



Signature of Respondent

05/20/2013
Date

Todd Appraisal, Inc.
Company Name

PO Box 7215
Address

Kansas City, MO 64113
City, State, and Zip

816-822-2424
Phone

Section 3.4

About The Company ...

Todd Appraisal was founded in Kansas City in 1998 and throughout its history has practiced a policy of slow and steady growth built on personal relationships and trust. The company began in Brookside with two appraisers and has grown to contract with up to twenty mainstay appraisers per year. The primary service area is the Kansas City, Missouri MSA, and the total service area encompasses a total of twelve counties in Kansas and thirty-four counties in Missouri, including the markets of Springfield/Branson, Columbia/Jefferson City, Rolla and St. Louis. Extended markets coverage includes Phoenix, Tulsa and Dallas. In addition, Todd Appraisal has cultivated a relationship with two local Appraisal Management Companies (AMC's) and can assist in providing consultation and support for difficult markets.

It often is the case today that many clients will never meet the homeowners face to face. In those circumstances, the appraiser is the only personal contact that homeowners have and it's important that the appraiser not only represent themselves well, but reflect positively upon the client in whom they've placed their trust. Todd Appraisal considers an appraisal assignment an extension of that trust. From initial contact through the property inspection and report delivery, Todd Appraisal ensures that the client is represented with the utmost professionalism.

We're always available. Through contact with the office staff to the appraisers in the field to middle of the night orders via our website, we look forward to working with you in the future.

About the Owner ...

Jason T. Ormiston founded Todd Appraisal in 1998 and has performed hundreds of appraisal and consulting assignments for any number of clients. He is currently certified in Missouri and Kansas and is on the FHA roster in both states. Jason has experience in residential, REO / HUD, complicated and high value properties, compliance reviews and staff training on a daily basis. He has taught educational seminars for client staff and Realtors, has developed Scopes of Work for both traditional and nontraditional lenders and banks and he regularly consults with a regional AMC and several legal professionals. In off hours, he enjoys camping, coaching soccer and the Kansas City Royals.

And our Primary Staff ...

Chris Wolfenbarger has been an appraiser since 1996 and has performed countless valuations in Kansas, Arizona and his home state of Missouri. He has performed primary residential appraisals with a specialized focus in high end and unique properties as well as HUD and REO properties. Chris is currently a Medic with the Missouri National Guard, 1141 Sapper Engineer Company, stationed out of Kansas City, Missouri and has been decorated with an Army Commendation Medal, an Army Meritorious Unit Citation, the Order of the Dragoon commendation and a Purple Heart. In his off hours, he enjoys cooking, competition shooting and anything related to the NFL and the Kansas City Chiefs.

Ron Wright, Thad Scott, and Brett Ready are each certified FHA appraisers with varying degrees of experience and specialties in Kansas and Missouri for the past seven years. **Doug Wilson** is the newest member of our staff, certified just this year in the state of Kansas. He is currently working toward his FHA accreditation.

Debbie Cronin, Jonathan Tester, Michael Vogt, and Koni Hough have almost fifty years of combined appraiser experience in the states of Kansas and Missouri. They are each licensed and qualified to perform a wide range of forms and reports.

Anne Kohl is the Office Manager for Todd Appraisal, serving as the point of contact for all incoming appraisal work. With over ten years in the mortgage industry as a processor and closer for GTE Credit Union and JP Morgan Chase, Anne then moved to the appraisal industry with Terra-Val AMC and finally as office manager for Todd Appraisal. Her experience in the mortgage industry on both sides provides a unique understanding of our clients' needs. She works tirelessly to ensure effective communication between lender and appraiser and manage assignments within our current regulatory framework to deliver satisfactory resolution to each appraisal assignment.

Specialized Appraisal Services Provided

REO / HUD and other distressed properties

- Jason, Chris, Ron, Thad, Brett, Debbie, Michael

Complicated properties such as jumbos and unique properties

- Jason, Chris

Review

- Ron, Thad, Michael, Koni, Debbie

203k and other rehabilitation assignments

- Jason, Wolf, Ron, Brett

Condominiums

- Jason, Chris, Ron, Thad, Debbie

Rural/Acreage

- Ron, Thad, Doug, Brett, Koni, Jonathan, Michael

Farms, farmland and other rural income producing properties

- Doug

Consulting

- Jason, Chris, Ron, Doug, Jonathan, Koni, Michael

Teaching/Continuing Education

- Jason, Chris

Section 3.4, Continued

- 3.4 (a). Addressed on Todd Appraisal Summary pages
- (b). Todd Appraisal, Inc. is 100% owned and operated by Jason Ormiston.
- (c). In addition to the providing real estate valuations since 1994, the principle of Todd Appraisal has studied macro economics. It is only through luck that he changed direction in 1993 from working in the stock market to working in micro economics every day. The real world interpretation of economic theory has been a fascinating benefit to an interesting and challenging career. Within the past few years, Jason has expanded his professional reach to include management consultation. Clients have included a pharmacy startup in Mississippi, an India-based data company, a computer retailing operation in North Kansas City and a regional service company. The challenge of a turn around project in Todd Appraisal's own community is too great an opportunity to ignore.
- (d). Todd Appraisal and its primary servicing contractors have made great efforts to expand beyond the field of real estate valuation to touch all areas of the community. The company and Chris Wolfenbarger in particular are active in charitable organizations dedicated to serving wounded veterans in the guise of both Wounded Warriors and The Few, an organization founded to serve former members of the Special Forces who may have a particularly difficult time transitioning to civilian life. Jason Ormiston has acted as a mentor to two former correctional inmates who wished to change directions in life. Turn around projects require a specialized talent, one which Todd Appraisal has cultivated.
- 3.5 - Jason Ormiston performed some limited consulting work with Raytown when the city was considering plans to redevelop its downtown. Unfortunately, this took place immediately prior to the credit crises when the entire planet ran out of money. The project did not go very far.
- When Jason was approached by an elderly owner of a large number of blighted properties in Midtown and asked to assist in unraveling a wide spectrum of title chain issues, *lis pendens* filed by the city and laundry lists of code ordinance violations so that the properties could be sold, it was the beginning of an odyssey that included begging city attorneys, cajoling out of town buyers into paying for repairs prior to ownership and trying to communicate with a deaf property manager who could no longer maintain properties. The experience lasted nearly a year until the city attorneys ran out of patience, but what the endeavor lacked in financial reward more than made up for itself in lessons learned.
- 3.6 As some assignments can encumber appraisers and consultants with confidentiality agreements, I will provide reference information for people with whom I have engaged in any level of commerce. Please see the attached references page. See Index B.
- 3.7 See Index C.
- 3.8 None. However, Chris Wolfenbarger is a wounded veteran and when we subcontract work to an out of state AMC, we nearly always choose Valued Veterans, a company founded upon giving preference to former military veterans.
- 3.9 The bid is enclosed in the envelope in which this document was delivered and is in its own letter envelope.

Proposal

2.1 General Review

The review process for a mass appraisal is not merely a review of the program and data model, it's a review of information collection methods and verification, inspection review, data entry, data exclusion and inclusion and more verification. If the prospective client wishes to attack the problem with a band-aid, there can be quick-fix solutions. For a true cure to the well-documented problems in the Assessment Department, I recommend a thorough top to bottom review by both appraisers who fundamentally understand modern valuation techniques utilizing Means Regression Analysis (MRA) and professionals who understand proper data modeling methodology. This is not a process that can take place within a three week period. At the end of week three, I would expect that a plan for *aspects* of the process can be presented to decision makers in order detail a roadmap to an eventual permanent solution.

2.2 Specific Review Process

The selected property files to review can either be randomly selected or a portion of the 18,000 'problem files' identified in The Kansas City Star. Either way, the process to address the properties will likely be the same.

Given the time frame, it is likely the scope of the review will be a commercially available AVM (Automated Valuation Model). Todd Appraisal utilizes a Realtor-owned AVM daily which will serve the function well.

The files will likely break down to the following level of certainty when deriving value

- 2/3 (600) of the properties we investigate will be able to be valued within reasonable parameters through the use of an AVM.
- No more than 210 and likely closer to 100+/- of the properties will be unable to be valued due to lack of recent or relevant data and will require an investigation of relevant sales using Heartland MLS.
- The remaining properties may require exterior inspection. Each of these inspections and valuations will require one to four hours, thus 250-400 hours to perform.

Even assuming all 900 files are perfectly well-documented and relatively simple to review, it is necessary to understand the review Scope of Work before a definite turn-time can be given.

2.3 Modeling Analysis

New MRA programs are being made available to the market, and the price for these applications has been on the decline. If the model is truly unable to be repaired or is so dated as to be unworkable, a replacement should be readily available. As stated before, a data model integrates a huge range of inputs that, if improperly applied, can tend to negatively affect the output.

It is assumed that, unless there has been a fundamental change, the model worked in the past. If it previously functioned adequately, it should work correctly now. Todd Appraisal employs a data modeler for instances such as this, but in mine and his experience, models that previously functioned don't suddenly become inadequate. The true solution to data modeling problems is likely the quality of the data itself.

2.4 Timeframe

Jason Ormiston will be available towards the middle of the week of the 20th - 27th. Chris Wolfenbarger will be available in approximately ten days if needed and Matt Hussey, the data modeler, will be available in two weeks.

Otherwise, additional support from valuation professionals have been contacted concerning their availability and should be able to be contracted in relatively short order.

References

Name: Doug Curry
Title: CEO
Organization: Xceligent
Phone Number: 877-628-5300
Reference Type: Personal/Professional

Name: Denny Hoskins
Title: Representative, District 121
Organization: Missouri House of Representatives
Phone number: (573) 751-4302
Reference Type: Personal

Name: Linda Jordan
Title: LPO Manager
Organization: Guadalupe National Bank
Phone number: (816) 454-8700
Reference Type: Professional

Name: Heath Kasselman
Title: Former Owner and COO
Organization: Enterprise Pharmacy
Phone number: (601) 880-3043
Reference Type: Personal/Professional

Name: Amy Kersten
Title: Disposition Specialist
Organization: Malt Martin Real Estate Management
Phone number: (512) 402-5879 Ext. 504
Reference Type: Professional

Name: John Kolbe
Title: CEO
Organization: Town and Country Bank
Phone number: (573) 426.4900
Reference Type: Professional

Name: A.W. Pickel III, CMC
Title: President/CEO
Organization: LeaderOne Financial
Phone number: (913) 747-4000
Reference Type: Professional