



CITY COUNCIL ACTION REPORT

October 17, 2006

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Services & Economic Development
Jeanette Bennett, Purchasing Director

SUBJECT: Standard Purchasing Resolution 8: Best Value Award – Appraisal Services –
John R Improvement Projects, Long Lake to Square Lake, and Square Lake to South
Boulevard

Background:

- On August 29, 2006, request for proposals were received to provide appraisal services for the John R Improvement Projects, Long Lake to Square Lake, and Square Lake to South Boulevard.
- 15 Vendors from MDOT's approved appraiser list were notified; 5 companies responded with 2 firms disqualified for failing to meet insurance requirements.

Financial Considerations:

- The estimated cost for the right-of-way phase is \$1,000,000 per project. Of this amount, \$800,000 in Transportation Economic Development funds Category "C" are available for each project. The local share of the projects to be paid for by the City is estimated to be \$200,000 per project.
- Funds for the City of Troy's share are included in the 2006-07 Major Road fund, account #401479.7989.022035 and account #401479.7989.022045.

Legal Considerations:

- RFP-COT 06-47, Appraisal Services was competitively bid from an MDOT approved list of qualified appraisers and opened with five companies responding.
- This award recommendation is based upon the company offering the best combination of a variety of factors, and not simply the lowest bidder meeting certain minimal requirements. A best value approach addresses ability, experience and quality issues leading to a successful contract and reduction in risk of poor service for high profile appraisal services.
- The award is contingent upon the recommended bidder's submission of proper contract and bid documents, including insurance certificates and all other specified requirements.

October 17, 2006

To: Phillip L. Nelson, City Manager
Re: Best Value Award – Appraisal Services

Policy Considerations:

- The appraisal of property interests needed for this project is the first step in the acquisition process for these road improvement projects. (Goal IV)
- Moving this work forward would improve public safety and also reduce the liability for the City. (Goal VI)

Options:

- City management recommends awarding a contract for appraisal services to Andrew Reed & Associates, Inc. of Berkley, MI, the highest rated and lowest priced bidder as a result of a best value process with a final weighted score of 88, for an estimated cost of \$36,500.00, plus \$150.00 per hour for any required updates not to exceed 45% of the original appraisal cost for updates; and \$150.00 per hour plus reasonable expenses for testifying at trial, if necessary.

PP\Greenstar & Associates PAPI\G\MEMOS TO MAYOR & CC\Appraisal Services



EXECUTIVE SUMMARY

Appraisal Services

STATISTICS:

- ◆ Fifteen (15) Appraisers notified from MDOT Approved List (MDOT funded project)
- ◆ Five (5) proposals were received
- ◆ Three (3) proposals qualified by passing the minimum requirements
- ◆ Andrew Reed & Associates was the most qualified firm by receiving the highest weighted score

The following bidders submitted a proposal and received the indicated final scores:

Firm	SCORE
Andrew Reed & Associates, Inc.	88
Collier's International	74
Jamie J. Muter & Associates, Inc. dba Muter & Associates	44

REQUEST FOR PROPOSALS – FIRMS DISQUALIFIED

- **Terzo & Bologna, Inc.: Did not meet Insurance specifications**
- **R. S. Thomas & Associates, Inc. / Harold Blake Company: Did not meet Insurance specifications**

Attachments:

- ✓ **Weighted Final Scoring Including Interview and Price Scoring**
- ✓ **Evaluation Process**



WEIGHTED FINAL SCORING
Appraisal Services

Final Score Calculation:

$$\begin{aligned}
 &25\% \times \text{Weighted Average Score for Qualifications} \\
 &35\% \times \text{Interview Score} \\
 &\underline{40\% \times \text{Price Score}} \\
 &100\% \qquad \qquad \qquad = \text{Final Weighted Score}
 \end{aligned}$$

In order to equate the price to the weighted evaluation process scoring, the prices had to be converted into a score with the base of 100.

Weighted Average Score for Qualifications: 25%

Raters:	1	2	3	AVERAGE
Vendors:				
Collier's International	90	89	100	93
Andrew Reed & Associates, Inc.	68	84	86	79
Jamie J. Muter & Associates, Inc.	52	84	74	70

Interview Score: 35%

Raters:	1	2	3	AVERAGE
Vendors:				
Collier's International	82	82	70	78
Andrew Reed & Associates, Inc.	84	80	73	79
Jamie J. Muter & Associates, Inc.	79	76	71	75

Price Score: 40%

Vendors:	Weighted Criteria – Difference in Costs (1-(proposal price – low price)/low price) x available points
Collier's International	$(1 - (51,000 - 36,500)/36,500) \times 100 =$ 60.3
Andrew Reed & Associates, Inc.	$(1 - (36,500 - 36,500)/36,500) \times 100 =$ 100
Jamie J. Muter & Associates, Inc.	$(1 - (120,925 - 36,500)/36,500) \times 100 =$ 0

FINAL WEIGHTED SCORE:

VENDORS:	Collier's International	** Andrew Reed & Associates, Inc.	Jamie J. Muter & Associates, Inc.
Score			
Qualifications Score: (x .25) =	93 x .25 = 23	79 x .25 = 20	70 x .25 = 18
Interview Score: (x .35) =	78 x .35 = 27	79 x .35 = 28	75 x .35 = 26
Price Score: (x .40) =	60 x .40 = 24	100 x .40 = 40	0 x .40 = 0
Final Score:	74	88	44

**** HIGHEST RATED VENDOR – RECOMMENDED AWARD**



SELECTION PROCESS

CRITERIA FOR SELECTION

A City Evaluation Committee will review the proposals independently. The City of Troy reserves the right to award this contract to the appraiser considered the most qualified based upon a combination of factors including but not limited to the following:

- A. Compliance with qualification criteria
- B. Completeness of the proposal
- C. Any other factors which may be deemed to be in the City's best interest
- D. Evaluation Process

Phase 1: MDOT List

Bidders must be qualified by MDOT and be on the MDOT Approved Appraiser List. Also, the firm must be able to submit the required Insurance in accordance with the Sample Certificate.

Phase 2: Qualifications Weighted Evaluation Process

Each City Committee member will use a weighted score sheet to independently evaluate the proposals and attachments submitted. The scores of the three Committee Members will be averaged into one score for each bidder for this phase of the process.

Phase 3: Interviews

Interviews will be scheduled for all appraisers with acceptable evaluation scores. Each City Committee member will use a weighted score sheet to independently evaluate the interviewee. The scores of the three Committee Members will be averaged into one score for each appraiser for this phase of the process.

Phase 4: Price

Points for price will be calculated as follows:

CALCULATIONS:

1. The proposals shall be arranged from lowest proposal to highest proposal.
2. High Proposal (-) Low Proposal = Range
3. A mean or average will be calculated from the data, as well as the variance and standard deviation. This information will be used to compare and interpret the measures of location and variability within the population. Points will be given based upon the number of standard deviations that the bid price is from the mean average or similar process depending upon the population.

Phase 5: Final Scoring and Appraiser Selection

25% x Weighted Average Score for Qualifications

35% x Interview Score

40% x Price Score

100%

= Final Weighted Score

The highest final weighted scored appraiser will be the appraiser recommended to the Troy City Council for Award.

Note: The City of Troy reserves the right to change the order or eliminate an evaluation phase if deemed in the City's best interest to do so.