



City of San Antonio

Agenda Memorandum

File Number: 15-3793

Agenda Item Number: 23.

Agenda Date: 8/6/2015

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Insurance Appraisal Services

SUMMARY:

This ordinance authorizes a contract for property appraisal services for the City of San Antonio from Specialty Property Appraisals, LLC. The proposed contract is for a period of three (3) years, beginning September 1, 2015 and ending August 31, 2018 at an annual cost not to exceed \$22,500.00, with two, one-year renewal options. If available options are exercised, the total value of the contract will be \$112,500.00.

BACKGROUND INFORMATION:

The City of San Antonio either owns or leases approximately 900 facilities, and furnishes its offices to house and support its many operations and services to residents of the City. Commercial Insurance is acquired in accordance with Chapter 252, of the Local Government Code with the assistance of a Broker of Record. The City desires to engage the Consultant named above to perform property insurance appraisal services to insure appropriate valuation of approximately 600 City-owned facilities for insurance purposes. The Consultant will create a schedule to conduct the appraisals over a 5 year period. Properties with an appraised value in excess of \$15 Million will be appraised every 3 years. The total value of all property is more than two billion, seven-hundred thirty-five million dollars.

The Risk Management and Purchasing Divisions of the Department of Finance developed a Request for Proposals ("RFP") for Property Appraisal Services which was issued February 24, 2015. Proposals from five companies were submitted within the published timeline and were evaluated in conformance with the criteria contained in the RFP.

The evaluation of each proposal response was based on a total of 100 points: 30 points allotted for experience, background, qualifications; 20 points allotted for proposed plan; and 15 points allotted for respondent's price schedule. Twenty (20) preference points were allotted for Small Business Economic Development Advocacy (SBEDA) Program; 15 points for Small Business Enterprise (SBE) Prime Contract Program and 5 points as a mentorship incentive. Ten (10) points were allotted for the Local Preference Program and 5 points for the Veteran-Owned Small Business Preference Program. A summary of the RFP scoring is attached.

Based on an evaluation by members of the review panel, Specialty Property Appraisals, LLC was selected. The final recommendation was based on the panel's assessment of the respondents' proposed plans, experience and qualifications, and pricing schedules, in conformance with the stated criteria.

ISSUE:

This recommendation is for a three-year contract for professional property appraisal services needed for the City to accurately value its assets. This valuation is necessary in order to obtain the proper level of property insurance coverage, and to calculate department assessments in case of loss.

No proposals were submitted from local respondents for this contract; therefore, the Local Preference Program was not applied.

There were no proposals submitted by veteran-owned small business respondents for this contract; therefore, the Veteran-owned Small Business Preference Program was not applied.

No proposals received the available SBEDA points, as no SBEs submitted proposals, nor did any respondents apply to participate in the City's mentor/protégé program.

ALTERNATIVES:

The City could attempt to perform appraisals on its own properties. This would require additional specialized and experienced personnel and associated staffing costs, and would not necessarily satisfy the insurance companies' requirement for accurate and independent valuation of the properties.

FISCAL IMPACT:

This Ordinance will authorize the payment of \$22,500.00 in the FY 2016 budget. All expenditures will be in accordance with the Department's adopted budget approved by City Council. Sufficient funds are appropriated in the Liability Self-Insurance Fund upon approval of the FY 2016 budget.

RECOMMENDATION:

The Risk Management Division of the Department of Finance recommends execution of a contract for Property Appraisal Services with Specialty Property Appraisals, LLC, at an annual cost not to exceed \$22,500.00.

This contract is procured by means of Request for Proposals, and Discretionary Contracts Disclosure form is

attached.