



## CDOT Qualified Appraiser List Appraiser Application Requirements and Submittals

To bid on Colorado Dept. of Transportation (CDOT) and federally-funded local government agency projects, fee appraisers must be on CDOT's Qualified Appraiser list. This guide details the requirements and submittals necessary for fee appraisers to be evaluated for inclusion on CDOT's Qualified Appraiser List (QAL).

**Minimum requirement:** The appraiser must hold an active Colorado Certified General Appraiser license. Do not apply for inclusion on CDOT's QAL if you are not a state Certified General Appraiser.

CDOT qualified appraisers may bid on appraisal assignments as advertised by CDOT Regions via the Procurement Master Task Order Contracting process and guidelines. Qualified fee appraisers also are eligible to provide appraisal and related litigation services to Local Public Agencies (LPA) where CDOT oversight is required due to federal funding.

Appraisers who apply to be included on CDOT's QAL will be evaluated by a panel of three (3) CDOT senior appraisers, moderated by the Statewide Appraisal Program Manager. Requirements are detailed below:

CDOT will not consider submittals for its Qualified Appraiser list that are made within less than one year of a prior submittal by the same applicant.

### REQUIRED INFORMATION

#### SUBMISSION GUIDELINES

Applicants must be qualified, responsible Colorado Certified General appraisers interested in providing appraisal and follow-up litigation services to CDOT and Local Public Agencies (LPA) to assist in acquiring real property rights necessary for transportation improvement projects. The appraiser applicant bears sole responsibility to ensure that all required information and an Eminent Domain appraisal report prepared by the applicant are submitted to CDOT in the proper form.

#### 1. EMINENT DOMAIN APPRAISAL DEVELOPMENT

The appraiser will outline and describe Colorado's Modified Before-and-After Eminent Domain appraisal process and describe the typical Scope of Work to complete the process. Submissions must detail the applicant's understanding of, and approach to, eminent domain appraisal development and address how each element of the Scope of Work would be accomplished in a before-and-after eminent domain appraisal.

#### 2. APPRAISAL REPORT - SAMPLE DOCUMENT

The applicant will submit a signed copy of their most complex, or best example of a partial acquisition eminent domain appraisal report that uses Colorado's modified before-and-after rule. The appraisal report must have been prepared for an actual assignment and for an actual client. "Demonstration Reports" will NOT be accepted.

The sample eminent domain appraisal report selected for inclusion in the application may have been prepared for any condemning agency or property owner. DO NOT submit an eminent domain appraisal report that is still or will be used in litigation by either an agency or property owner in an unresolved right-of-way acquisition.

**Principal Appraiser and Signatory** -- the applicant must have personally performed the appraisal analyses, made the value and compensation conclusions and prepared the appraisal report submitted with their QAL application. The appraisal report must be signed by the applicant as a sole signatory or as co-signer. In either case, whether as sole signatory or as a co-signer, the applicant **will include a signed statement on the cover of the sample appraisal report** as stated below:

I, \_\_\_\_\_, performed the primary appraisal analyses and determined the final valuation and compensation conclusions in this submitted appraisal report.

Sensitive information in the report may be obscured or removed to comply with confidentiality requirements.

If more than one applicant from an appraiser-staffed firm is submitting a proposal, each applicant will need to submit a separate and distinct appraisal report on a different property (CDOT qualifies individual appraisers, not appraisal firms).

## **EXPERIENCE AND REFERENCES**

The applicant shall provide a clear and adequate statement of qualifications and experience to provide appraisal services required by CDOT or LPAs that use CDOT's QAL. Include a list of references by which CDOT may confirm any experience described.

### ***Appraisal Experience***

Provide evidence of past experience performing "appraisal services" (or other related work) for general appraisal assignments, complex appraisals for litigation, and specifically eminent domain appraisals on behalf of CDOT, FHWA, property owners, and/or other public agencies. The information should support the applicant's capability to perform work required by CDOT or other condemning agencies.

### ***Litigation Experience***

Provide evidence of past experience performing "litigation services," including the extent of litigation related services to CDOT, FHWA, property owners, and/or other public agencies at pre-trial conferences, depositions, court appearances, and expert witness testimony concerning the "appraisal services" performed.

- The litigation experience shall include a listing of all federal and state district courts where the applicant has been qualified as an expert witness, and the number of times the applicant has testified as an expert in litigation valuation. Include a complete list of litigation depositions and hearings in which the applicant was qualified as an expert witness.
- Other areas of litigation experience may include but are not limited to immediate possession hearings, administrative hearings, board of equalization testimony, etc.
- Lack of litigation experience will not necessarily preclude the applicant from qualifying as a CDOT-approved appraiser.

### ***Education***

List and/or describe course work completed in real property appraisal, litigation/eminent domain appraisal, and/or comparable, related fields.

### ***Appraisal Specialties***

List and/or describe any specialty appraisal expertise. Any information here should detail appraisal experience and/or expertise in appraising special use properties. Such special-use property expertise will be used for assignment of project work and will not disqualify an application nor will it affect the scoring during the evaluation phase.

### ***Appraiser State Certification***

Include a copy of your Colorado Certified General Appraiser license as issued by the Colorado Board of Real Estate Appraisers.

## EVALUATION CRITERIA

### *Review and Approval of Qualified appraisal applicants*

This section outlines the evaluation criteria CDOT will use in the review and selection of submitted applications. All applications will be evaluated and scored as described below. Based on the scoring criteria, CDOT's QAL review committee and statewide Appraisal Program Manager will together determine if the applicant meets the requirements to be placed on the Qualified list to bid on CDOT or LPA assignments.

### *Evaluation Process*

CDOT's Appraisal Program Manager will moderate a panel of three senior CDOT appraisers who will independently evaluate the merit of applications received in accordance with the evaluation factors.

Failure of the applicant to provide any information requested in the application may disqualify the application as non-responsive. It is the applicant's responsibility to provide all information required in the application. The sole objective of the evaluation will be to recommend approval or rejection of the application based on the submitted documentation and grading of the appraisal report.

### *Application Scoring*

The evaluators' sole objective is to score the application and recommend those applicants who have the required experience, education, qualifying appraisal report, etc. to be included on the Qualified Appraiser List eligible for appraisal and related litigation assignments for CDOT and Local Public Agencies.

## EVALUATION CRITERIA

The appraiser applicant must submit a complete application package in order to be considered for CDOT's Qualified Appraiser List. A "complete" application package is defined as all information including, but not limited to, information pertinent to each of the evaluation factors listed below.

Each of these factors is designed to incorporate specific evaluation of the items presented above and it is upon these criteria that the evaluators will base their determination for whether the appraiser will be added to CDOT's QAL.

Proposals should be submitted in the format suggested and provide all the details and documentation requested. **All submitted reports are subject to verification of data.**

All approved applicants will be placed on CDOT's Qualified Appraiser List, thereby pre-approved to bid for providing appraisal services to CDOT and eligible to work for LPAs on their federal-aid projects subject to CDOT oversight.

**All applicants not approved must wait a minimum of one year before reapplying to CDOT's QAL.**

**NOTE:** Inclusion on CDOT's QAL is no guarantee of work to the applicant on the part of CDOT or by any other agency or property owner. CDOT also reserves the right to remove appraisers from its Qualified List as circumstances require.

### Eminent Domain Appraisal Development

Applicants will be evaluated on their understanding of eminent domain appraisal and the process and Scope of Work necessary to properly complete an eminent domain appraisal. How does an eminent domain appraisal differ from a mortgage appraisal, for example? Proposals should show the applicant's understanding of a condemning agency's appraisal requirements and make clear their ability to provide the services needed.

### Complexity of Sample Report

The evaluation committee will consider the complexity of the sample report, for example, whether it is a strip taking versus a highly complex partial taking with damages and/or benefits.

## Appraisal Report

**NOTE:** The sample appraisal report submitted must have an effective value date that is no more than four (4) years prior to the date of the QAI application.

The applicant will be evaluated on the partial acquisition appraisal report submitted. *Specifically, evaluation will focus on:*

- The appraisal methodology as reflected in the report.
- Basic information in the report (e.g., letter of transmittal, certification, assumptions and limiting conditions, market value definition, effective date of appraisal and value, state, region and/or neighborhood data, and exhibits).
- Subject property data and analysis (e.g., larger parcel description, land data, improvement data, sales history, zoning, utilities, etc., and highest and best use before the taking).
- Analysis and value of the larger parcel using appropriate approaches to value
- Residue (remainder) value after the taking or acquisition.
- Analysis/HBU and value of the residue (remainder) after the taking or acquisition.
- Analysis of damages and/or benefits (whether yes or no) and compensation summary.
- The perceived level of sound judgment exercised by the applicant in the valuation problem.
- The submitted report must demonstrate Colorado Eminent Domain procedures.

## Appraisal and Litigation Experience

The applicant will be evaluated on their *appraisal experience*. Specifically:

- Extent of experience conducting general or typical appraisal assignments
- Extent of experience conducting eminent domain appraisals
- Extent of other appraisals for litigation purposes

The applicant will be evaluated on their *litigation experience*. Specifically:

- Demonstrated litigation experience related to appraisal work
- Experience with litigation services, including but not limited to:
  - Pre-trial conferences and depositions
  - Immediate possession hearings, board of equalization hearings, administrative hearings, etc.
  - Qualified as an expert witness
  - Trial testimony
  - Other litigation related experience

**NOTE:** Lack of litigation experience will not necessarily preclude the applicant from qualifying as a CDOT appraisal contractor.

## Education

Each applicant will be evaluated on the extent of their educational background in real property appraisal and litigation, condemnation, and eminent domain, including:

- Courses and seminars for state certification and continuing education
- Advanced appraisal courses and seminars
- Litigation, condemnation, and eminent domain courses and seminars

## Disclaimer

CDOT reserves the right to remove anyone at any time from the Qualified Appraiser List.

## Scoring Sheets

<b>Applicant name:</b>			
<b>Final Score:</b>			
<b>Rater:</b>			
<b>Criteria/Points</b>	<b>Points</b>	<b>Factors (Max. Points/Passing Range)</b>	<b>Comments</b>
<b>Pass Point Range</b>	<b>Scored</b>		
<b>Appraisal Report / 40</b>			
<b>28.0 - 40.0</b>		<b>5.0 Points Max./3.5 - 5.0 Passing</b>	
		Letter of transmittal	
		Certification of appraiser	
		Assumptions & limiting conditions	
		Market value definition	
		Effective date of appraisal & value	
		State, region &/or neighborhood data	
		Exhibits	
		<b>10.0 Points Max./7.0 - 10.0 Passing</b>	
		Property data	
		Larger parcel description	
		Land data	
		Improvement data	
		Sales history	
		Zoning, utilities, etc.	
		HABU before taking	
		Land valuation	
		Sale confirmations	
		Cost approach	
		Sales Comparison approach	
		Income approach	
		Reconciliation value before taking	
		<b>10.0 Points Max./7.0 - 10.0 Passing</b>	
		Description & value of part taken	
		Residue value before taking	
		Description of residue after take	
		HABU after taking	
		<b>15.0 Points Max./10.5 - 15.0 Passing</b>	
		Value of residue after take	
		Analysis of damages/benefits involved:	
		No damage found but explained	
		OR	
		Damage/Benefits analyzed	
		AND	
		Compensation summary	
<b>Report Total Score</b>			

<b>Applicant:</b>			
<b>Rater:</b>			
<b>Criteria/Points</b>	<b>Points</b>	<b>Max. Points/Passing Range</b>	<b>Comments</b>
<b>Pass Point Range</b>			
<b>Complexity of Appraisal Problem in Report /20.0</b>		<b>20.0 Points Max. /14.0 - 20.0</b> <b>Passing</b>	
14.0 - 20.0		Strip taking v. total take	
		Strip taking with damages	
		Taking with change in highest and best use	
		Taking with damages and benefits	
<b>Appraisal Development / 5</b>		<b>5.0 Points Max. /3.5 - 5.0</b> <b>Passing</b>	
3.5 - 5.0		Discussion of how eminent domain appraisal differs from mortgage appraisal	
		Requirements of eminent domain appraisals	
<b>Experience / 25</b>			
<b>17.5 - 25.0</b>			
<b>Appraisal:</b>		<b>15.0 Points Max./10.5 - 15.0</b> <b>Passing</b>	
		General Appraisal Experience	
		Eminent Domain Appraisal Experience	
		Other Litigation Appraisal Experience	
<b>Litigation:</b>		<b>10.0 Points Max./7.0 - 10.0</b> <b>Passing</b>	
		Litigation experience	
		Pre-trial conference	
		Depositions	
		Possession hearings	
		Administrative hearings	
		Board of equalization	
		Trial testimony	
		Qualified as expert witness	
		Other litigation related experience, etc.	
<b>Total Experience Score</b>			
<b>Education / 10</b>			
<b>7.0 - 10.0</b>			
<b>Appraisal:</b>		<b>5.0 Points Max./3.0 - 5.0</b> <b>Passing</b>	
		Advanced appr. courses and seminars	
		Eminent Domain Appraisal Courses	
<b>Litigation:</b>		<b>5.0 Points Max./3.0 - 5.0</b> <b>Passing</b>	
		Litigation/condemnation courses	
<b>Total Education Score</b>			
		Based upon interrelation of all above factors	

<b>OVERALL SCORED</b>			
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