

HUERFANO COUNTY, COLORADO

AGREEMENT

PROFESSIONAL SERVICES

THIS AGREEMENT made effective as of the 11 day of January 2022, by and between the Huerfano County Assessor, located at 401 Main Street, Suite 205, Walsenburg CO 81089, hereinafter referred to as the "County" and ValueWest, Inc. located at 5125 S. Kipling Parkway, Littleton, CO 80127 , hereinafter referred to as the "Consultant"

The County and the Consultant for the consideration hereinafter set forth agree as follows:

SECTION I - SERVICES OF THE CONSULTANT

The Consultant shall serve as the County's consultant and shall provide as a minimum all of the professional services which are described in Exhibit A attached hereto, the ValueWest Proposal incorporated by reference herein.

SECTION II- INSURANCE REQUIREMENTS

Within ten (10) days from the execution of this Contract by the County and throughout the term hereof, Consultant shall hold and provide the County certification and proof thereof of current professional liability insurance in the minimum amount of \$1,000,000 Dollars. If requested by the County, Consultant shall also provide the County with proof of Worker's Compensation Insurance and general liability insurance in the amount of at least One Hundred Fifty Thousand Dollars (\$150,000.00) per person and (\$600,000.00) Six Hundred Thousand Dollars per incident.

SECTION III - TERM

Unless terminated earlier as provided in Section X, the term of this Contract shall be from January 1, 2022 Through December 31, 2022.

The County at its sole option, may offer to extend this Contract for up to three additional one-year terms subject to mutually agreed upon price changes. The extension option may be exercised provided satisfactory service is given and all terms and conditions of the Contract have been fulfilled. Such extensions must be mutually agreed upon in writing, by and between the County and the Consultant, and approved by the Huerfano County Assessor.

SECTION IV - INDEPENDENT CONTRACTOR

The parties hereto acknowledge that Consultant is an independent contractor and that the County will not:

- i. require Consultant to work exclusively for the County;

ii. oversee the actual work or instruct Consultant as to how the work is to be performed except that Consultant's services will be consistent with generally accepted industry standards and the standards set forth in this Contract;

iii. pay compensation other than that stated in Section VII,

iv. combine its business operations in any way with Consultant's business, but instead both parties will maintain their own operations as separate and distinct;

v. provide any training or tools to Consultant;

vi. obtain, maintain or manage workers' compensation or unemployment compensation insurance for the employees of Consultant. Consultant must have in place on the effective date of this Contract and must maintain during the initial term or any extended term of this Contract workers' compensation insurance and unemployment compensation insurance covering each of its employees who provide any services to the County or related to this Contract. Consultant shall be solely responsible for managing and consistent with the indemnification provision in Section VIII will be solely liable for any damages or award and will defend and indemnify the County with regard to any occupational injury, claim or unemployment claim, appeal or related proceeding brought by or on behalf of any employee of Consultant. Consultant must provide proof reasonably satisfactory to the County and its insurers that Consultant has workers' compensation insurance consistent with the statutory requirements of Colorado law and unemployment compensation insurance policies in place providing the required coverage for Consultant's employees.

vii. pay or maintain any employee benefits for the employees of Consultant, including but not limited to, any employee withholdings or liability for taxes, FICA, Medicare or Medicaid, medical or disability insurance, vacation or leave, pension, unemployment insurance or workers' compensation insurance. Further, Consultant acknowledges that it is obligated to pay federal and state income tax on any monies paid pursuant to this Contract.

The Consultant warrants that it has not employed or retained any company or person, other than a bonafide employee working solely for it, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than bona fide employees working solely for the Consultant, any commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warranty, the County will have the right to void this contract without further liability, or, in its discretion to deduct from the contract price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

SECTION V -THE COUNTY'S RESPONSIBILITIES

- A. Provide information as to its requirements for the project.
- B. Give prompt notice to the Consultant whenever the County observes or otherwise becomes aware of any defect in the project.
- C. Reasonably assist the Consultant in obtaining approval of all governmental authorities

having jurisdiction over the project and such approvals and consents from such other individuals or bodies as may be necessary for completion of the project.

- D. Furnish, or direct the Consultant to provide at the County's expense, necessary additional services.
- E. Provide information on a regular basis concerning commercial new construction and building permits.
- F. Maintain current sales data and sales confirmation systems on commercial sales.
- G. Identify new parcels, new construction and building permits to the consultant on a timely basis.

SECTION VI

MUTUAL UNDERSTANDINGS OF THE COUNTY AND THE CONSULTANT

- A. This Contract does not guarantee to the Consultant any work except as authorized in accordance with Section I above, nor does it create an exclusive contract for services.
- B. All of the services contemplated under this Contract are personal and shall not be assigned, sublet or transferred without the written consent of the County.
- C. Huerfano County is a Colorado public entity and all financial obligations extending beyond the current fiscal year are subject to funds being budgeted and appropriated therefore. Nothing in this agreement shall be deemed a waiver of the Colorado Governmental Immunity Act.
- D. The Consultant and any and all of its personnel utilized by the County under the terms of this Contract shall remain the agents and employees of the Consultant and are not, nor shall they become agents or employees of the County
- F. Ownership of documents.
 - (1) All tracings, plans, specifications, estimates, reports, data and miscellaneous items purported to contribute to the completeness of the project shall be delivered to and become the property of the County, upon County's request.
 - (2) Basic survey notes, charts, sketches, computations, and other data prepared hereunder shall be made available to the County, upon request, and become the property of the County.
 - (3) All data received hereunder shall be made a part of the County's permanent records and files and preserved therein for six (6) years per Colorado state statute.

SECTION VII - PAYMENT AND FEE SCHEDULE

It is understood and agreed by and between the parties hereto, that the County shall pay the Consultant for services furnished, and the Consultant shall accept 12 consecutive

payments of \$2,100.00 per month, full payment not to exceed \$25,200 for such services.

Invoices shall be submitted by the Consultant to the County on a monthly basis for services performed and expenses incurred pursuant to this Contract during the prior month.

SECTION VIII - INDEMNITY AND HOLD HARMLESS PROVISION

Consultant hereby agrees to defend, save and hold harmless the County, or any of its departments, agencies, officers, elected officials or employees from all costs, damage, and liability incurred by any such parties and from any other damage, cost and liability to any person or property whatsoever, which is caused by an activity, condition or event arising out of the performance or nonperformance of any provision of this Contract by Consultant or its employees or agents and regardless of whether such claim, cost or liability would otherwise be covered by an insurer. Such costs shall include, in the event of legal action, court costs, expenses and reasonable attorneys' fees.

SECTION IX - CHARTER, LAWS AND ORDINANCES

The Consultant at all times, agrees to perform the services with due diligence and in a manner consistent with industry standards and to observe all Federal and State laws, and Resolutions and Ordinances of the local jurisdiction, and all rules and regulations which in any manner affect or govern the work under this Contract.

SECTION X - TERMINATION OF CONTRACT

A. TERMINATION OF CONTRACT FOR CONVENIENCE OF THE COUNTY

The County may terminate this Contract at any time by giving written notice to the Consultant of such termination within 15 calendar days of the date of notice and specifying the effective date thereof. If the Contract is terminated by the County; the County will pay the consultant for work accomplished up to the date of termination as follows: Total amount of the contract multiplied by the Billable Completion Percentage for the month of the termination according to Exhibit C – Billable Percent Complete.

Notwithstanding the above, the Consultant shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of the Contract by the Consultant and the County may withhold any payments to the Consultant for the purpose of setoff until such time as the exact amount of damages due the County from the Consultant is determined. Moreover, the provisions of Section VIII shall survive any termination of this Contract.

B. OWNERSHIP OF PARTIALLY COMPLETED WORK

All work accomplished by the Consultant prior to the date of such termination shall be recorded and tangible work documents and shall be transferred to and become the sole property of the County prior to payment for services rendered.

SECTION XI - CHANGE ORDERS OR EXTENSIONS

A. The County may, from time to time, require changes in the scope of the services of the Consultant to be performed herein. Such changes, including any increase or decrease in the amount of the Consultants compensation, must be mutually agreed upon in writing by the County and the Consultant. The Consultant shall be compensated for all authorized change in services, pursuant to the ValueWest Proposal or, if no provision exists pursuant to a Change Order.

B. The County may extend the time of completion of services to be performed by the Consultant. Such extensions must be mutually agreed upon in writing, by the County and the Consultant.

SECTION XII - EQUAL EMPLOYMENT OPPORTUNITY

A. The Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Consultant shall adhere to acceptable affirmative action guidelines in selecting employees and shall ensure that employees are treated equally during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, or apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices provided by the local public agency setting forth the provisions of this nondiscrimination clause.

B. The Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials

C. The Consultant agrees to comply with such rules, regulations or guidelines as the County. State or Federal agencies may issue to implement these requirements.

D. The Consultant shall be licensed as required by law.

SECTION XIII - SPECIAL CONDITIONS

The work to be performed under this Contract shall commence promptly after receipt of a fully executed copy of this agreement to the extent that the Consultant has been authorized to proceed by the County. The Contract Administrator for this contract shall be Elisha Meadows: Huerfano County Assessor.

SECTION XIV INSPECTIONS, REVIEWS AND AUDITS

A. During all phases of the work and services to be provided hereunder the Consultant agrees to permit duly authorized agents and employees of the County, to enter the

consultant offices for the purpose of inspections, reviews and audits during normal working hours. Reviews may also be accomplished at meetings that are arranged at mutually agreeable times and places.

B. Consultant and its sub-consultants shall maintain all books, documents, papers, accounting records and other evidence pertaining to cost incurred and shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment, for inspection by Huerfano County and copies thereof shall be furnished if requested.

SECTION XV - REPRESENTATIONS AND WARRANTIES

Each party represents and warrants that it has the power and ability to enter into this Contract, to grant the rights granted herein and to perform the duties and obligations described herein

SECTION XVI - GENERAL CONDITIONS

A. Any notice this Contract requires must be written and delivered or sent by U.S. Certified mail, return receipt requested, to the parties at the address listed above.

B. If any term or provision of this Contract shall be adjudicated to be invalid, illegal or unenforceable, this Contract shall be deemed amended to delete therefrom the term or provision thus adjudicated to be invalid, illegal or unenforceable and the validity of the other terms and provisions of this Contract shall not be affected thereby.

C. This Contract may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same original instrument.

D. The terms and conditions of this Contract shall be construed, interpreted and enforced in accordance with the applicable laws of the State of Colorado. If any legal action is necessary to enforce the terms and conditions of this Contract, the parties agree that the jurisdiction and venue for bringing such action shall be in the appropriate court in Huerfano County, Colorado.

E. The parties agree that this Contract constitutes the entire Contract between the parties and supersedes any and all prior oral representations, promises, covenants, understandings and other agreements, if any, between the parties and their agents and may not be modified in any manner except by an instrument in writing executed by both parties.

F. No failure by either party to exercise any right it may have shall be deemed to be a waiver of that right or of the right to demand exact compliance with the terms of this Contract.

H. The parties to this Contract do not intend to benefit any person not a party to this Contract. No person or entity, other than the parties to this Contract shall have any right, legal or equitable, to enforce any provision of this Contract.

DocuSigned by:
Nancy Cruz
Attest: Nancy Cruz Title Huerfano County Clerk
5E423A01C7FD47F... Clerk Name(printed)
Date 1/12/2022

DocuSigned by:
Elisha Meadows
Elisha Meadows Elisha Meadows, Huerfano County Assessor
CB89243260B0470...
Date 1/11/2022

Gerald Cisneros Name of Commissioner
DocuSigned by:
Gerald Cisneros
Gerald Cisneros, Chairman Huerfano County Commissioner
4C1B82CBDDDEC4A6...
Date 1/11/2022

John Zimmerman, President, ValueWest, Inc.
Date _____

Exhibit A

Tasks Performed by the Consultant

Huerfano County Assessor 2023 Commercial Reappraisal

Project

ValueWest understands the property tax system in Colorado. We will commence work on the project immediately upon the execution of a contract. We will visit the county several times in the initial phase and perform sales inspections and verifications which will affect the reappraisal. Appraisal of real property requires the appraiser to adapt to the assignment based on knowledge gained during the assignment. Our approach will generally follow the model of gathering information, adapting strategy and applying methods in a repetitious manner throughout the project.

We will perform an income survey to determine rental rates, vacancy rates and expense ratios on some property types. This will be foundational to the development of our supporting income capitalization model. The results of the income method will eventually be compared to the results of the computer assisted mass appraisal (CAMA) model.

On appropriate property types, we will look at cost based valuation using the Marshall & Swift Valuation Service. These cost based values will also be compared to the valuations arrived at in the mass model on some property types.

Eventually, the data collection phase will give way to the analysis phase which will mold the finalization of the mass appraisal model. We will conduct a series of sales ratio studies and other statistical analysis in order to determine the contributory value of various attributes. These will be used in the calibration of the mass model. The ACS/Avenu system in the county is a familiar system for our company and we will be able to set up and calibrate our model without much assistance from the Assessor's staff.

The conclusion will be a well thought out mass appraisal model that best fits the universe of property as allowed by the available data. Ultimately our objective is to get fair and accurate values for the citizens of Huerfano County.

After the reappraisal values are complete we will work with taxpayers during the protest and appeal process. We will make appropriate adjustments to individual properties if justified and we will adjust mass model rates if systematic valuations are discovered.

PLAN DOCUMENT

Preliminary Analysis

ValueWest, Inc. will conduct a detailed sales ratio study on available sales data from the allowable data collection period. We will review the data by various stratifications to determine the current valuation level of various types of properties. We will interview current appraisal staff in order to better understand the concerns and special needs surrounding the project. This process will involve discussions of the prior reappraisal and the impressions of the county appraisal staff on the areas where results were disappointing. We will analyze the protest records from each area and take the adjusted valuation levels into consideration in the development of new valuation models. We will develop a sales grid by neighborhood and economic area to find out where the strengths and weaknesses of the data are. We will do field inspections of many properties before, during and after the valuation models are built so that we can compare the resulting value with an on site impression of validity.

Sales Review

ValueWest, Inc. will perform in person physical reviews of all commercial sales from the relevant sales data collection period. The physical reviews will be focused on creating familiarity with the property in terms of its physical condition, location, past and current use and ownership. The sales review will also include a detailed review of deeds and other relevant transfer documents related to the sale. The company will code the sales according to their respective utility in the appraisal process using the Colorado Division of Property Tax Assessor's Reference Library, Course Materials and other content as a guideline.

Preliminary Ratio Analysis

ValueWest will conduct preliminary sales ratio analysis to determine current value level relative to the newly reviewed sales.

Time Trend Analysis

Importantly, we will perform and document a complete time trend analysis of the qualified commercial sales. The documentation will be suitable for audit compliance and will use several recognized methodologies including paired and matched sales, ratio trending and price per unit trending. The findings will be discussed with the county appraisal staff prior to finalization.

Application of Value

ValueWest will use information gathered in the prior phases to calibrate the County's computer assisted mass appraisal software. Values generated after calibration will be reviewed and analyzed based on the relevancy of the cost approach, the sales comparison approach and the income approach to value. Calibration will be checked for audit compliance and results will be shared with the County Assessor prior to finalization of the values.

Defense of Value

ValueWest will make its staff available for a sufficient amount of time during the protest period as to meet with taxpayers or to discuss valuation protests. The Company will respond to taxpayer requests in a timely manner and with professionalism. The Company will hold "office hours" in the county during the month of May and June in order to meet with and answer taxpayers. The company will make decisions regarding protest value adjustments and will prepare support to be presented at the County Board of Equalization when necessary. ValueWest will appear in person or at a minimum over the telephone during the C.B.O.E appeals period. Every effort will be made to appear in person. As taxpayers protest we will politely listen, consider and if necessary adjust our values. We will defend the values when they are correct. We will provide and be available for an adequate number of days for protest at the county courthouse.

ValueWest will represent the County at higher appeal levels for an additional fee of \$75/hour plus travel expenses at the option of the Huerfano County Assessor.

Project Execution

Upon acceptance of this contract by the Assessor and the Board of County Commissioner's we will begin reviewing sales data from the allowable data collection period. Simultaneously we will examine the rates, codes and stratifications used by the county in past valuations. We will begin to gather income and expense information on all included commercial and industrial properties. We will do an extensive examination of the coding system currently in use by the county and make recommendations if necessary. We will spot check commercial improvement building types, quality codes and effective ages and make adjustments as necessary.

The land valuation will be a priority in the initial phases of the valuation. Land values will be determined based on available sales data. Where sales data is scarce or non-existent the contractor will base values on the best information available. Land codes will be calibrated to best fit the market indicators. When the land values are complete we will begin to calibrate the improvement valuations. We will then examine building codes, architectural styles, ages, qualities and other building characteristics to determine appropriate rates for the "Commercial" valuation model.

Final adjustments may be made to individual properties if warranted and described. We will notify the assessor when the notices of value can be sent and we will prepare our documentation for the protest period.

Responsibilities

1. County

- i. Must continue to provide remote access to their computer systems with the necessary software and access to the data. (VPN or third party software)
- ii. Must provide a complete list of transfers on Commercial Property from 7/1/2017 through current.
- iii. Will provide a "Parcel Layer" in a form readable by ESRI Arc Map software. If available we will also need aerial photography, streets and roads, water features and subdivision layers. This will be provided at no cost to the contractor.
- iv. Must provide all available documentation of sales including; TD1000, Sale Confirmations, Copies of Transfer Instruments via hardcopy or scanned images.
- v. Will assist in the scheduling of protest appointments when necessary.
- vi. Will provide a reasonable workspace with a computer if we should need to be in your office.
- vii. Will maintain the commercial database with regard to building permits, remodels and new construction.
- viii. Agrees to the timeline of the project.
 1. Valuation complete April 15, 2023
 2. Protest Period May 1-31, 2023
 3. Notices of Determination by June 30, 2023
 4. County Board of Equalization July and August 2023
- ix. Agrees to the use of override values when deemed necessary by the contractor.
- x. Exclusions: These properties are excluded regardless of their abstract codes and include Golf Courses, Prisons, Ski Areas, Possessory Interest, Oil and Gas Properties, Caves, Hot Springs, Amusement Parks, Race Tracks, Hunting Cabins or Lodges, Personal Property and any other properties which may be too complex and bizarre to accurately value within the allotted timeframe (mutually agreed to before contract acceptance).

2. ValueWest, Inc.

- i. Will develop a workflow calendar upon acceptance of our proposal.
- ii. Will conform to applicable USPAP Standard 6 requirements.
- iii. Will complete the valuations as soon as possible but no later than April 15, 2023.
- iv. Will use accepted mass appraisal practices to complete the project.
- v. Will provide adequate documentation for the auditor and for the county archives.
- vi. Will represent the county in a professional and efficient manner at all times.
- vii. Will defend the values through the County Board of Equalization.
- viii. Will defend the values at the Colorado Board of Assessment Appeals at the discretion of the county assessor for a minimal additional charge plus expenses.
- ix. Will provide monthly progress reports for the Huerfano County Assessor.

Exhibit B Fees

The Consultant's fee will be \$2,100 U.S. dollars per month for the Biannual Commercial Real Property Reappraisal beginning January, 2022 and ending on December 31, 2022. Consultant's monthly fees for services rendered under this Agreement in 2022 and 2023, shall be billed monthly to Customer's designated Agent, the Huerfano County Assessor, 401 Main Street, Suite 205, Walsenburg, CO 81089. Customer shall make payments to Consultant on a monthly basis. Such payments to be made within fifteen days of Assessor's receipt of Consultant's billings. Subject to the Customer's annual budgeting and appropriation of funding for this Agreement for the year of 2023, if renewed for such additional terms, Consultant's fees shall be due and payable on a monthly basis. Consultant's fee for higher levels of protest including State Board of Equalization or related court cases will be \$75.00 per hour.

Additional costs maybe incurred in the event of a change in the Assessor's computer system vendors.

Exhibit C - Billable Percent Complete
Billable Percent Complete by Month - Huerfano County

Month Of Project	Billable Completion %
Jan-2022	4.17%
Feb-2022	8.33%
Mar-2022	12.50%
Apr-2022	16.67%
May-2022	20.83%
Jun-2022	25.00%
Jul-2022	29.17%
Aug-2022	33.33%
Sep-2022	37.50%
Oct-2022	41.67%
Nov-2022	45.83%
Dec-2022	50.00%
Jan-2023	54.17%
Feb-2023	58.33%
Mar-2023	62.50%
Apr-2023	66.67%
May-2023	70.83%
Jun-2023	100.00%
Jul-2023	100.00%
Aug-2023	100.00%
Sep-2023	100.00%
Oct-2023	100.00%
Nov-2023	100.00%
Dec-2023	100.00%