



# SCOPE OF WORK

R. Rhett Turner, MAI

Transportation Manager 1, Tennessee Department of Transportation



AMERICAN ASSOCIATION OF  
STATE HIGHWAY AND  
TRANSPORTATION OFFICIALS

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# OVERVIEW

- USPPAP Definition
- USPPAP Scope of Work Rule
- 49 CFR 103
- TDOT Best Practices

# SCOPE OF WORK DEFINITION

- The type and extent of research and analyses in an appraisal or appraisal review.
- USPAP 2014-2015 Edition, U-4  
Line 134-135

# SCOPE OF WORK RULE

- For each appraisal and appraisal review assignment, an appraiser must:
  - Identify the problem to be solved
  - determine and perform SOW necessary to develop credible assignment results; and
  - Disclose the scope of work in the report

USPAP 2014-2015 Edition, U-13, Lines 387-391

# 49 CFR 24.103 CRITERIA FOR APPRAISALS

- (1) The Agency acquiring real property has a legitimate role in contributing to the appraisal process, especially in developing the **scope of work** and defining the appraisal problem. The **scope of work** and development of an appraisal under these requirements depends on the complexity of the appraisal problem.
- (a) The term **"scope of work"** defines the general parameters of the appraisal. It reflects the needs of the Agency and the requirements of Federal and federally assisted program appraisal practice. It should be developed cooperatively by the assigned appraiser and an Agency official who is competent to both represent the Agency's needs and respect valid appraisal practice.

# 49 CFR 24.103 CRITERIA FOR APPRAISALS (CONT.)

- The scope of work statement should include the purpose and/or function of the appraisal, a definition of the estate being appraised, and if it is market value, its applicable definition, and the assumptions and limiting conditions affecting the appraisal. It may include parameters for the data search and identification of the technology, including approaches to value, to be used to analyze the data. The scope of work should consider the specific requirements in 49 CFR 24.103(a)(1) through (5) and address them as appropriate.

# 49 CFR 24.104 REVIEW OF APPRAISALS

- Agency review appraisers typically perform a role greater than technical appraisal review. They are often involved in early project development. Later they may be involved in devising the **scope of work** statements and participate in making appraisal assignments to fee and/or staff appraisers. They are also mentors and technical advisors, especially on Agency policy and requirements, to appraisers, both staff and fee. Additionally, review appraisers are frequently technical advisors to other Agency officials.

# SCOPE OF WORK

- Foundation for the Appraisal Process
  - Accurate Scope of Work is paramount
- Appraisal Process is the foundation of the Right Of Way Process
  - Users of the Appraisal reports and Review reports depend on the Accuracy of the report.....  
THUS the Scope of Work
    - Acquisition Agents
    - Relocation Agents
    - Department Staff and Administration



# TDOT BEST PRACTICES

- PGI ~ Preliminary Group Inspection
  - Attendees include Regional Chief Appraiser, Acquisition & Relocation Agents, Engineer
  - Tract by Tract review of ROW plans
  - Determining how the acquisition affects the tract from viewpoint of aspect of ROW
  - Discussion of the before and after situations
  - Region Chief Appraiser determines an estimate of appraisal fees based his/her anticipated **Scope of Work** for each tract
  - Region Chief Appraiser combines notes from attendees and submits tract by tract notes to Appraisal Services Manager (**SOW**)

# TDOT BEST PRACTICES

- Appraisal Services Manager begins his review and consideration of PGI and verifies notes from Region Chief
  - Checks ROW plans, fee estimates, final determination on Scope of Work
- Sends RFP (request for proposal) to fee appraisers (Brooks Act)
- Fee Appraisers review ROW plans, visit project and consider Scope of Work and submit a fee for each tract
- Discussions between Appraisal Services Manager & Fee Appraiser verifying fees and Scope of Work for each tract

# TDOT BEST PRACTICES

- Local Agency work should follow the outlined best practices as the Local Agency assumes the role of the Department
- THE ROLE OF THE REVIEW APPRAISER IS TECHNICAL AS WELL AS ADMINISTRATIVE.
- A GOOD REVIEW APPRAISER IS THE FOUNDATION TO THE SUCCESS OF A WELL WRITTEN SCOPE OF WORK AND THE SCOPE OF WORK IS PARAMOUNT TO THE SUCCESS OF THE PROJECT.

# QUESTIONS ?????

- Thank you
- R. Rhett Turner, MAI