Natural Resources Conservation Service
Agricultural Conservation Easement Program
Wetland Reserve Easement (ACEP-WRE)
Areawide Market Analysis Statement of Work and Specifications

A. Background Information

1. The United States of America, acting through the United States Department of Agriculture's Natural Resources Conservation Service (NRCS), purchases conservation easements to assist the landowners in restoring, protecting and enhancing wetlands. These lands may be placed under a conservation easement through the Agricultural Conservation Easement Program -Wetland Reserve Easement Component (ACEP-WRE).
2. The purpose of ACEP-WRE is to protect, restore, and enhance the functions and values of wetland ecosystems and lands enrolled are farmed or converted wetlands, former or degraded wetlands, agricultural lands that altered by flooding or soil saturation and water table elevation as a result of offsite or subsurface hydrologic changes, riparian areas, or land currently or previously enrolled in the conservation reserve program (CRP). Previously restored lands and adjacent lands are also included in the areas enrolled in ACEP-WRE.
3. NRCS plans to obtain an Areawide Market Analysis (AWMA) for and initial fiscal year (FY) and subsequent annual recertifications or AWMA amendments for each following FY not to exceed 4 additional years. The FY begins October 1st and ends September 30th.
4. All Areawide Market Analyses (AWMA) completed for ACEP-WRE must comply with instructions provided by NRCS.
    a. Proposed market areas are determined by the NRCS State Conservationist and identified in exhibit 1.
    b. Proposed land use types are determined by the NRCS State Conservationist and identified in exhibit 2.
5. NRCS National Appraiser resolves questions that arise from these specifications. The NRCS National Appraiser(s) can be reached at NRCS.NationalAppraisers@usda.gov.
6. Delivery of AWMA products will be approved by the NRCS State Conservationist and designated Easement Programs Division (EPD) staff. The National Appraiser will review and provide final approval of the AWMA products. Corrections and additions may be required for the final approval. A copy of all deliverable products and recommendations should be sent to NRCS.NationalAppraisers@usda.gov.
7. The client is NRCS and the AWMA and other value reports will be USPAP compliant.
8. These specifications apply to the new AWMA and any subsequent recertifications, AWMA amendments, or reports.
9. Deliverables include: written and digital products, meeting participation, and attendance in at least one training session.

B. Qualifications of Vendor

1. The vendor must be a State-certified general real property appraiser or obtain a temporary practice permit equal to State-certified general real property appraiser in

compliance with title XI of the Financial Institution's Reform, Recovery and Enforcement Act of 1989 (FIRREA) in the State or States where the AWMA is conducted.

2. The vendor must be in good standing with the licensing authority where the credential was issued, and not the recipient of disciplinary action within the past 5 years from the licensing authority.
3. The vendor must have demonstrated competency in compliance with USPAP in conducting market analyses of rural and agricultural properties of the requested type.

C. Purpose of the Area Wide Market Analysis

1. The purpose of the AWMA is to provide the fair market value (FMV) of the land for the land use types typically enrolled in ACEP-WRE in the market areas identified by NRCS.
2. FMVs must be provided for each market area outlined by NRCS and land use on a per-acre basis.

D. Information Provided by NRCS to the Vendor

1. Electronic copy of a map showing the market areas to be analyzed. The map may include potentially eligible ACEP-WRE areas based upon technical criteria (such as soil drainage class, soil types, or other factors that demonstrate eligibility).
2. GIS shapefile showing:
   a. Regions or counties with similar land uses and
   b. Boundaries of each market area to be analyzed.
3. List and definition of each land use to be valued in each market area. The definition will describe the types of eligible land typically enrolled in ACEP-WRE. The definitions must be as descriptive as possible to adequately define the land uses to be analyzed.

E. Training, Coordination, and Communications

1. NRCS Easement Programs Division (EPD) will provide vendor training for the Statement of Work via remote participation platform such as a webinar. (Please see More Information at https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/acep/)
2. EPD will coordinate vendor meetings with the NRCS State office as needed.
3. EPD will provide Farm Bill update trainings as needed.
4. The state-level NRCS contact and NRCS.NationalAppraisers@usda.gov should be copied on all communications with the contracting officer.

F. Meeting with NRCS

1. If market area and land uses are not representative of the market areas found the vendor shall notify NRCS and the contracting officer in writing that modification to the assignment is necessary. The Vendor will meet with NRCS to discuss Vendor's recommendations.
2. NRCS will coordinate a meeting with the Vendor to:
   a. Discuss the AWMA process.

b. Discuss the vendor's market research, market area, and land use recommendations when the vendor does not find sufficient sales data for the market area and land use.
c. The expansion of the sales market area.
d. The vendor should discuss any market conditions, levee restrictions, encumbrances, or access issues that are not typical for the market that may restrict their market analysis.
e. After completion of market research and the development of the draft AWMA report, the vendor will meet with NRCS to discuss their findings and report. The meeting should be scheduled within 14 days of the vendor providing NRCS with the draft AWMA report.
f. After review of the subsequent years' market, vendor and NRCS will discuss the findings and determine if a certification or amendment is required.
g. Even after initial acceptance of the AWMA or market review by NRCS, the vendor will be available to discuss any corrections that the National Appraiser requires for final acceptance of the report.

G. Quality of Work

1. The AWMA report:
    a. Must be clear, accurate, and complete and must meet NRCS's intent to determine the FMV of land typically enrolled in ACEP-WRE. The market analysis must be conducted and reported in compliance with USPAP.
    b. The vendor must select comparable properties that represent the land use types that are typically enrolled in ACEP-WRE.
    c. The vendor must administer adjustments for property differences and conduct a current analysis of the competitive market.
    d. At NRCS's discretion a contract reviewer may review the AWMA report.
2. Subsequent FY reports
    a. Recertification
        i. The vendor will continue to monitor the market areas collecting data since the previous AWMA or Recertification or Update report
        ii. Provide a letter to NRCS on or before July 15 stating if the AWMA or Updated report values have not changed by more than 10%.
        iii. If the vendor finds there are no changes greater than 10% then they certify the existing FY FMVs are still valid and are recommended for use for the next FY.
            - Sales data collected will be provided with the letter in an excel spreadsheet
        iv. If the vendor finds one or more land uses in the market areas have changed by more than 10% NRCS will determine if a AWMA amendment, providing current values for those land uses, will be required.
        v. If the AWMA amendment is required, it is due within 45 days from notice by NRCS.

H. Selection of Comparable Properties

1. Choose sufficient comparable sales from the entire market area being analyzed that include land uses typically enrolled in ACEP-WRE that would be eligible land types.
2. Property rights are fee simple surface rights or equivalent.
3. Do not include sales far above or far below the average, as any divergence likely has valid reasons.
4. Use comparable sales that are reasonably current, based on sales activity in the market area being analyzed. For the initial AWMA use sales no older than 24 months unless the market activity is limited and a longer time period is required. Concurrence by the contracting officer and national appraiser is required before using sales older than 24 months. Subsequent years data will be added to these and may be used in determining needed market changes.
5. Use similar property types as much as possible.
6. Ensure comparable sales are in fact arm's length transactions.
7. Provide sufficient data on the comparable sales to support the conclusions of value.
8. If the analysis of the comparable properties indicates the land use category is too broad or too narrow, contact the contracting officer and provide suggestions for changes to the land use category.

   Example: Land Use – Cropland – Low-lying cropland and prime cropland indicate a wide range in value; suggest that the land use category of "Cropland" be changed to two categories – "Low-Lying Cropland" and "Prime Cropland."
9. If sufficient sales are not available for a market region or land use to provide a supported, typical market value, the vendor will not establish a value and will recommend changes. These changes can include combining similar regions or land uses to provide for the sales needed to arrive at a supported, typical market value. The national appraiser should be consulted.
10. If in the process of collecting and identifying comparable properties, sales of properties encumbered by wetlands or similar conservation easements are found, provide the sales data on the encumbered properties in a separate section of the analysis.

I. Conduct a Current Analysis of the Competitive Market

1. Initial AWMA
   a. Sold Properties
      i. Sold properties represent actual comparable sales.
      ii. Sales data should be within the last 24 months.
   b. Active Listings
      i. Active listings are properties currently for sale.
      ii. These listings matter only to the extent that they indicate the competition for buyers and current market activity.
      iii. They are not indicative of market value. Sellers can ask any price they want for their property; it does not mean the prices are realistic. The vendor may use these to support values higher or lower than the value the sold properties indicates.
2. Subsequent Fiscal Year Analysis
   a. Sold Properties

i. Vendor will continue to monitor the markets since the date of the prior AWMA or Recertification
ii. Sold properties will represent actual comparable sales
iii. Sales data will be from the end of the prior sales data
iv. Sales data will be added to the sales data spreadsheet
v. All sales are available to the vendor to determine the status of the market

b. Active Listings – See I(1)(b)

J. Market Area

1. Initial AWMA
   a. The market area to be considered will be specified by NRCS and provided to the vendor.
   b. The market area must contain properties that represent the land use types that are typically enrolled in ACEP-WRE.
   c. If the market analysis indicates the market areas provided are inconsistent with the data, contact the contracting officer and suggest modifications to the market areas.
   d. If insufficient data is available to conclude typical values for the market area or land uses, contact the contracting officer and suggest modifications to the market area or land uses. The national appraiser may be consulted for guidance in changes to land use or market areas.
   e. The higher number of homogenous sales in the dataset is desirable for quantifiable results. However, a minimum of 10 sales representing each land use in each market area must be analyzed and employed to effectively establish a fair market value.
   f. Values for a market area and land uses cannot be determined using data from other market areas. This indicates that changes are needed for the market area or land use. Contact the contracting officer and NRCS by email at NRCS.NationalAppraisers@usda.gov to recommend changes or request assistance in arriving at acceptable changes to the market areas or land uses.
2. Subsequent Fiscal Years Analysis
   a. Market areas will not change for the subsequent fiscal years' analysis
   b. The vendor will notify the contracting officer if the data indicates that the market areas are no longer valid.

K. Other Considerations

1. Land Use, Land Quality, Soils, and Topography
   a. The land uses and soil types to be considered must be comparable to land typically enrolled in ACEP-WRE
   b. These are predominately level, low-lying areas of cropland but may also include areas of pastureland, wet meadows, and woodland.
   c. An optional state-level map of potentially eligible ACEP-WRE areas (based upon soil drainage class, soil types or other factors) is provided.
2. Improvements: do not include the value of improvements, such as homes, sheds, fences, barns, etc.

3. Levee Protection: where significant, separate values must be developed for land behind or in front of protection levees.
4. Existing Easements
    a. Do not use sales data from lands under existing easements as comparable sales.
    b. If any are identified, the data should be provided in a separate part of the report.

L. Presentation of Analysis

1. The report must be presented in a neat, easy-to-read format, free of grammatical and clerical mistakes.
2. The supporting documentation must be presented with sufficient narrative so that the analysis can be reviewed and critiqued.
3. Provide a description of the social, physical, and economic characteristics of the specified market areas.
4. Provide a thorough description of each land use category that a representative value is provided.
5. Describe the land uses included in the land use category. For example, if land use category is "noncrop pasture and pasture like," describe the typical market area land use categories the vendor used or associated with this land use category.
6. Describe items that impact to values in the market area for atypical considerations. These may include, but are not limited to, development pressure from economic or locational influences which would be cause for an immediate change to a more intensive highest and best use; impacts of severed versus intact oil, gas, and/or mineral rights; impacts of intact versus transferred development rights; impacts of the quality of legal access; or other impacts. Provide these considerations by market area or as a summary in the report as an impact to value.
7. The report must comply with USPAP.
8. All market analysis reports submitted to NRCS become the property of the United States and may be used for any legal and proper purpose. Therefore, a condition that limits the distribution of the report is not permitted.
9. All sales data used to support conclusions of typical value must be provided in a spreadsheet addendum to the report. The minimum information for the sales data will include identifying name or number for the sale, county and market area, sale date, land use, sale price per acre. Also see the Note is section M below.
10. Additional information may also be provided. The identifying name or number may be generated by the vendor if there is concern of confidentiality agreements with the suppliers of the sales data. A separate confidential file will be provided to the national appraiser for analysis and will be returned upon completion of the analysis. The information in the confidential file must contain identifying information so the national appraiser can effectively evaluate the sales data.
11. The spreadsheet must also be a separate file which can be used by the national appraiser to analyze the sales data.
12. The per acre conclusions for each market region and land use are used by NRCS to calculate the fair market value of various size ACEP-WRE projects.
    a. The vendor must determine the range of size in acres, that the values continue to provide a supported fair market value.
    b. The vendor may recommend a separate value for projects outside the

supported acre range if there is sufficient data to support the value.

c. If sufficient data is not available to support values outside the acre range, the vendor must indicate that appraisals are recommended for projects that are outside the acre range.

M. Deliverables

1. Initial AWMA
    a. Draft report due within 60 days of contract completed after the completion of the trains and meetings indicated in E and F.
    b. The final report and supporting documentation are the deliverables for this assignment due within 14 days of (a)(i) meeting.
    c. The final report will be a digital file.
    d. The final report will include an electronic spreadsheet of all the sales data found in the addendum of the report, which will be used by the national appraiser in analyzing the AWMA. This file must be unlocked to allow for various electronic analyses.
    e. Additional supporting documentation determined necessary by the national appraiser or program manager.
2. Subsequent Fiscal Year Analysis
    a. Recertification letter due by July 15
        i. If no land use's FMV has significantly changed. Significantly is defined as plus or minus 10%.
            1. Provide final of recertification letter stating the previous fiscal year FMVs have not significantly changed.
            2. Letter must be USPAP compliant incorporating the previous fiscal year report (AWMA or Recertification or Update) in accordance with A(3).
            3. Letter will explain the process used to monitor the market and determine the FMVs have not significantly changed.
            4. Sales data spreadsheet with the new sales.
        ii. If one or more land use's FMV has significantly changed.
            1. Provide the recertification letter indicating which land uses have changed
            2. See meetings required F
            3. Letter must be USPAP compliant see 2(a)(i)(2)
            4. Letter will explain the process used to monitor the market and determine the changes in FMVs
            5. Sales data spreadsheet with the new sales.
            6. NRCS will determine if the AWMA Update will be required.
    b. AWMA Amendment and Recertification within 45 days of the meeting 2(a)(ii)(2)
        i. Provide the amendment with the new FMVs of the land uses that changed significantly
        ii. Explain the process used to monitor the market and determine which land uses changed significantly and which land uses did not.
        iii. Update must be USPAP compliant see 2(a)(i)(2)
        iv. Sales data spreadsheet with the new sales.

Note: Vendor must provide either latitude/longitude coordinates or a GIS shapefile/polygon for the location of the comparable sales. The coordination of the transfer of this information must be between the contractor and National Appraiser only. This information must be emailed to NRCS.NationalAppraisers@usda.gov.

N. Conflict of Interest

An independent, qualified professional will not analyze a property for a spouse, child, partner, or business associate or have a financial interest in the property to be covered by the proposed easement.

O. Nondisclosure

1. Work performance required by this statement of work will involve access to potentially sensitive information about governmental and landowner issues.
2. All contractor personnel must comply with the terms of AGAR 452.224-70, "Confidentiality of Information," as well as provisions of the Privacy Act of 1974 (5 U.S.C. Sec. 552a).
3. Additionally, the contractor's employees must comply with privacy of personal information relating to NRCS programs in accordance with section 1244 of the Food Security Act of 1985, as amended (16 U.S.C. Sec. 3844), and information protected under section 1619 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246), 7 U.S.C. Section 8791.

P. Civil Rights and Program Delivery

The contractor must ensure that its personnel prohibit discrimination in all aspects of programs and activities related to the contract on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status.

Q. Exhibits

1. **Exhibit 1 Market Areas for _____**
2. **Exhibit 2 Land Use Categories**