

“SOLE SOURCE” PROCUREMENT JUSTIFICATION

Sole source purchases are goods and services available from only one vendor. There may be just one vendor because of patents or copyrights or simply because the vendor is the only one which supplies the good or service. Using Department must provide a written explanation as to why only this particular product/service is acceptable and why no other will be suitable or acceptable to meet the need. A quote must accompany this form.

Department name: Assessor's Office

1. Name of product or service: Commercial real estate information
2. Name of product manufacturer: CoStar
3. Name of “sole” product supplier or service provider: CoStar Group
4. Describe in general terms the product/service you are requesting and the intended application.

CoStar – Commercial Real Estate Data Provider. This software provides “MARKET” data to justify commercial property valuation for Dona Ana County. The software provides actual commercial sales of the local Las Cruces market and verify's sale information such as business value and intangibles that maybe included within the actual sale price. New Mexico is a partial disclosure state and Commercial properties do not have to disclose their sales information to us like residential properties do. This makes it very difficult to get local market data to justify and value commercial properties. We have used this service since 2016 and have successfully defended our values with the data provided by CoStar. Costar also provides Lease rates, vacancy rates, and cap rates for all income producing commercial occupancies. We rely on the income approach (one of the three approaches to value) due to being a partial disclosure state with little to no sales information.

In conclusion, the sought-after software and company must support our values by ensuring that the provided data can substantiate our position in the event of a formal protest or legal action.

5. Describe the unique features/capabilities/characteristics that distinguish it from other products/services.

CoStar provides “**confirmed**” market data with either the broker's, owner, or buyer. Costar provides market surveys for selected comparable properties; we can utilize market data from the entire state for special use properties that we may not have market data for. Costar has teamed up with STR report data (the leading market data on the hotel industry) for lodging occupancies. Costar also owns Loop Net online property marketplace. This service is basically three services in one.

6. How did you determine there was only one source for the product or service? Provide information on the research that was performed to locate suppliers for this product(s) or service(s). (Please furnish names, addresses and other documentation).

- **MLS** – local Multiple Listing Service will not let us pay for the service. We have tried for years to pay just like fee appraisers and local real estate agents do, however they do not see us as part of the Real Estate Profession.

Name: Lucy Bustillos
 Phone: 575-524-0658
Edudir.lcar2016@gmail.com

- **Reonomy** – Best suited for smaller investors with limited area of coverage, preferred by large cities and tax consultants. Reonomy provides sale's info and lease information and is utilized by tax consultants often because they provide contact information for owners of the properties listed and helps consultants advertise or make cold calls. Reonomy does not offer STR report information for lodging properties as Costar does. Reonomy has a good number of properties but is nowhere near as much information as costar provides. Reonomy employs 21-50 people where CoStar has over 7,000 employees. During the demo on 11-29-2023 Upon verifying our office requirements, Ms. Cronin halted the webinar and she confirmed that they were unable to furnish the crucial data our office required. For example, lease rates, expense ratios, vacancy rates, cap rates etc. See attached documentation for quotes.

Name: Laney Cronin
 Phone: 815-985-8016

- **Cred IQ (Assessor Solutions)** – We had a demo with this service. They provide mortgage information instead of actual market data and was not something that we could utilize. We do not need mortgage information, its not actual "Real Estate Market Data. They did not have lease rates, sale information, vacancy rates, expenses or cap rates that are essential components when generating the income approach. **Adam Krause the vice president of sales told us straight out that you won't find anything better then Costar.** See attached documentation for quotes.

Name: Adam Krause
 Phone: (917) 518-9738
adam@cred-iq.com

- **Moody's** - 11-1-2023 we had a webinar with Chad Turner with Moody's. They're a startup company striving to compete with software vendors, like CoStar, however, they currently lack the local data essential for assessing our local markets value. See attached documentation for quotes.

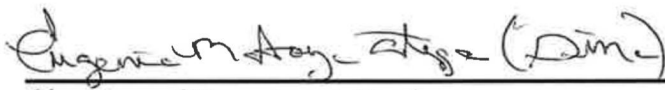
Name: Chad Turner
 Phone: (336) 837-8056
Chad.turner@Moody's.com

7.

What product supplier or service provider has your department used until now to satisfy similar requirements?

We have utilized Costar since 2016. Prior to 2016 the commercial department's only tools were online real estate sites such as Steinborn, NAI First, CBRE etc. These sites only provide "For Lease" or "For Sale" values and can be indicative of what might be happening in a market. However, it is not true market data until the property is leased or sold. We also utilized any actual market data provided during protest, there was never enough data for each occupancy to utilize and justify using as a hole. Our value is only as good as the data we have, and CoStar has provided us with the best data possible at this time.

Inconclusion, the sought-after software and company must support our values by ensuring that the provided data can substantiate our position in the event of a formal protest or legal action.

 (DM)

Signature of Department Head

11/29/23

Date

(Attach Quote and Use Additional Sheets As Necessary)

**This form is used by Purchasing Department to determine if a "Sole Source" procurement criterion is met.
Completing this form does not guarantee approval of this type of procurement.



1331 L Street NW
Washington, DC 20005

Quote

Location ID:	28728443
Contract #:	111282
Quote Date:	12/1/2023
Quote Prepared by:	Bryan Franco
Fed Tax ID #:	52-2134617

Customer:

DONA ANA COUNTY ASSESSOR
845 N MOTEL BLVD
LAS CRUCES, NM 88007 Suite 260
Attn:COLE ORTIZ

This price quote is an estimate of the annual rate of this agreement based on the status of the agreement on the date the quote is generated. This price quote does not include any taxes as applicable for services in your jurisdiction. This price quote does not constitute an offer or guarantee of pricing levels or services nor does it change contract terms & conditions.

Products:

CoStar Suite

Monthly Subscription Price:

\$ 1,854.58

Comments:

Anticipated Billing Rate:

May-23	\$	1,854.58
Jun-23	\$	1,854.58
Jul-23	\$	1,854.58
Aug-23	\$	1,854.58
Sep-23	\$	1,854.58
Oct-23	\$	1,854.58
Nov-23	\$	1,854.58
Dec-23	\$	1,854.58
Jan-24	\$	1,854.58
Feb-24	\$	1,854.58
Mar-24	\$	1,854.58
Apr-24	\$	1,854.58
TOTAL	\$	22,254.96

This Quote is based on a proposal for 12 months of service to be offered under a contract to be established between DONA ANA COUNTY ASSESSOR from 05/01/2023 to 04/30/2024 and with billing of said contract scheduled to occur monthly.

The price quoted reflects the contract's price as of today's date. This document does not guarantee that pricing will remain unchanged upon your contract's renewal date.

Thank you for your submission.
The procurement will be reviewed by one of our buyers.
In the future, any amendment to a sole source contract that adds to or changes or impacts in any way any of the terms and conditions listed below (which are set forth in statute, see Section 13-1-126.1. NMSA 1978), the sole source must be reposted for a new, additional 30 day period.

- if the parties to the proposed contract change;
- if the nature and quantity of the service, construction or item of tangible personal property being contracted for, changes; and
- if the contract amount changes.

Print

Agency : C0009 - DONA ANA COUNTY
Procurement 40-C0009-24-CP003
Number :
Next Step : REVIEW
Uploaded Files : Sole Source Determination: Sole Source CoStar.pdf
Completed date : Friday, January 5, 2024 5:07 PM
Completed by : Michael Perez

