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the crops, they will be appraised as separate property items.

(2) The crop appraisal will identify the crops by type, number of acres, estimated yield per acre taking into account all hazards, the unit value, gross market value at maturity based upon current local prices for the commodities less cost of bringing to maturity, harvest, and delivering to available markets. The expected harvest period will be reported, together with other pertinent information, in order to indicate an approximate date when the cropland may be available for construction purposes.

(d) *Use of Government-owned property.* (1) An appraisal will be made, when required, to justify the consideration reserved in all leases, licenses and easements, except those specifically mentioned in paragraph (d)(3) of this section. The appraisal will be made in accordance with acceptable standards applicable to the particular type of property and the use to be made thereof in the proposed grant, and in accordance with the general appraisal practices and standards heretofore outlined in this chapter. Ordinarily the appraisals of property involving substantial improvements will include, in addition to complete coverage of all factors influencing the use of the property appraised, complete information as to the following:

(i) Data of acquisition and completion of Government construction.

(ii) Complete cost data as to original purchase price and Government construction.

(iii) Detailed discussion of the predominant uses to which the property is adaptable.

(iv) Competitive position of the property with respect to availability of privately-owned properties for similar use.

(v) Estimate of market value of fee title.

(vi) Estimate of annual rental value assuming unrestricted use over a reasonable period of time.

(vii) Estimate of annual rental value under proposed Government restrictions.

(2) Time consuming and lengthy appraisal reports should be avoided in the case of low value grants involving Government-owned property. The consideration in such cases may be substantiated by a simplified appraisal report by a qualified appraiser setting forth only such facts as are required to validate his conclusions as to value. In such instances, a physical inspection of the property may be waived where the appraiser is sufficiently familiar with the property under appraisals and local market conditions to prepare a reasonable value estimate of the estate to be appraised. When a property is not physically inspected, it will be so noted in the appraisal report. The decision concerning the necessity for a physical inspection of the property and analyzing local market conditions will rest with the appraiser signing the appraisal certificate since he is personally responsible for the value conclusion developed in the appraisal report. A low value grant for the purpose of this paragraph is defined as any grant for which the fair market rental value (before applying any offset in rental for estimated savings in maintenance, protection, repair and restoration) does not exceed the following:

Easement—$500 for the term.
Lease or License—$500 per annum if granted for not more than a five-year period and is granted after advertising.

(3) The following are exempt from the above requirements:

(i) Leases for land on which to construct new credit union facilities, under long-term leases. See DOD Directive No. 1000.10 for formula.

(ii) Concession leases under Graduated Rental System.

§ 644.48 Review and approval.

(a) *Procedure.* (1) Upon completion of an appraisal, the signed report is to be reviewed by a reviewing appraiser to assure that the information and data developed by the appraiser substantiates the estimated valuation. The review function also serves as a means of resolving differences that might be found in two or more individual appraisals of a single property. The reviewing appraiser is also responsible for maintaining consistency in appraisals for the various properties in a project.

(2) A review of all real estate appraisals is considered of vital importance to

the successful operation of the real estate mission of the Corps of Engineers. It is essential that each and every appraisal be given an independent review and check by a thoroughly qualified reviewing appraiser. This will insure that the appraisal represents relative concurrence as to value of not less than two real estate appraisers professionally qualified by previous experience in appraising the particular type of property involved. The reviewing appraiser should familiarize himself with the property to the extent that he can adequately present and support his opinion when called upon to do so.

(3) The review action will be documented by a separate narrative memorandum signed and dated by the authorized reviewing appraiser. Such review memorandum will indicate, but not be limited to, the following:

(i) Date and nature of physical inspection of the subject property.

(ii) Statement relative to reviewer's knowledge of comparable sales used.

(iii) Reviewer's opinion as to the appraiser's valuation.

(iv) Other pertinent data, if any, relative to the property or comparable sales that the reviewer feels would lend additional credence to value estimate.

(v) Reviewer's certification of approval, disapproval, or recommendation.

(4) If more than one appraisal is obtained for an ownership, all should be reviewed by the same reviewing appraiser. The reviewer can cover all appraisals in one review memorandum, or write individual reviews.

(5) No alterations or additions will be made to a signed appraisal report by anyone other than the appraiser who signed the report. A reviewer cannot change the value reflected or approve an amount other than the appraiser's final conclusion of value. His alternative is disapproval.

(6) A reviewing appraiser may not review other appraisal reports covering a property that he has himself previously appraised. In this instance the reports must be assigned to another reviewer or be forwarded to the next level of review for appropriate action.

(7) Appraisal reports obtained by the Department of Justice and submitted for Corps review are to be treated in the same manner as those obtained by the Corps.

(b) *Delegation.* (1) Division Engineers have been authorized to approve or take action as appropriate on all real estate appraisal reports made for the purpose of purchase, disposal, or any use of real property in which the estimated fair market value (of the part to be acquired, if a partial taking) does not exceed $250,000, or the estimated fair market rental value does not exceed $150,000 per annum.

(2) Division Engineers have been authorized further, at their discretion, to redelegate any part of this authority, up to $150,000, to District Engineers.

(3) All appraisals exceeding $250,000 will be forwarded to HQDA (DAEN-REE) WASH DC 20314 for final review, approval, and/or appropriate action. Each report will be thoroughly reviewed at all levels, including the Project, District and Division.

(4) A copy of all those reports between $100,000 and $250,000 will be forwarded to DAEN-REE for post review and retention.

(5) In addition to those reports which exceed the delegated authority, DAEN-REE will review and take appropriate action on complex, difficult and controversial appraisals. Where more than one appraisal has been made within either of these categories, a copy of each appraisal report should be submitted for review regardless of variances in opinions of value. At times, the Division Engineers may receive specific instructions as to appraisals which may require final approval of DAEN-REE. Also, from time to time, DAEN-REE may call for and review typical appraisals prepared by individual appraisers.

(c) *Reconciliation of appraisal reports.* In the event that a reviewing appraiser does not agree with the value conclusion of the appraiser, the following steps should be taken:

(1) Attempt to reconcile differences with the appriser in a face-to-face meeting. The reviewing appraiser should present his additional evidence of value to the appraiser and discuss the report weaknesses, if any.

(2) In the event reconciliation and approval are not possible, the reviewer

must then forward the report and review certificate to higher authority for resolution and request that another appraisal be obtained.

(d) *Qualifications of reviewing appraisers.* (1) A reviewing appraiser should have a minimum of five years experience in the field of real estate appraising. He should also have taken and successfully completed two or more appraisal courses offered by professional appraisal organizations. His experience record should indicate that he has thorough knowledge of all the standard appraisal techniques and approaches and has the ability to analyze the market and all pertinent data which affects value.

(2) Upon selection and appointment by the District Engineer of qualified staff personnel to act as reviewing appraisers, a copy of their qualifications and experience records, along with a copy of the appointing orders, will be forwarded to HQDA (DAEN-REE) WASH DC 20314.

(e) *Code of ethics.* Under no circumstances will an appraiser be directed to make an appraisal at any predetermined amount or to change his opinion of value on any property appraised. It is recognized that the review function will develop some differences of opinion. However, where those differences cannot be resolved on a higher ethical basis, predicated upon sound reasoning and adequate data properly analyzed and applied, an additional appraisal will be obtained.

§ 644.49 Contracts.

(a) *Appraisal reports.* (1) Within their contract authority, Division and District Engineers may contract with recognized appraisal firms, corporations and individuals for necessary appraisal reports on a lump sum basis. Following the award of any appraisal contract in excess of $5,000 a copy of such contract will be forwarded by the issuing office direct to HQDA (DAEN-REE) WASH DC 20314, immediately upon execution.

(2) Requests from Division and District Engineers to the Chief of Engineers for names of appraisers qualified to make particularly complex appraisals are invited.

(3) Division and District Engineers will develop and maintain current lists of qualified appraisal firms, corporations and individuals, from which contractor selection will be made. These lists should be appropriately grouped or rated in accordance with special qualifications and experience in connection with various and specific types of appraisal problems.

(4) Prior to receipt of proposals and negotiations with appraisers, a target fee (Government estimate) will be developed with due consideration to the relative skill and ability required in solving the appraisal problem and the appraiser's time and expense required for preparing the desired reports.

(5) In the negotiation of appraisal contracts the following items are to be considered:

(i) The appraisal of real estate is a recognized profession governed by a code of ethics prohibiting competition in obtaining appraisal assignments. All negotiations for proposals will be conducted on an individual basis, with adequately qualified appraisal firms, corporations or individuals competent to deliver the required appraisal reports on schedule.

(ii) In view of the technical nature of appraisals, Division and District Engineers shall give consideration to designating qualified member(s) of their real estate staffs as contracting officer's representative(s) with full responsibility for all cost estimates involved in contracting for appraisal services and reports. Such contracting officer's representative(s) may also, in the designation of the contracting officer, be utilized to conduct negotiations with the prospective contractors, serve as ordering officer pursuant to the contracts, certify invoices and act in any other capacity within their authority as contracting officer's representative(s).

(6) A copy of the narrative, detailed record of contract negotiations will be forwarded to DAEN-REE, along with the contract as specified above.

(7) In contracting for appraisal reports, contract forms as set forth in Armed Services Procurement Regulations (ASPR) (chapter I of this title) and ER 1180–1–1 (Engineer Contract Instructions) will be used. An outline of the qualifications of the appraiser employed to perform the contemplated