COUNTY OF HENRICO
DEPARTMENT OF FINANCE
PURCHASING DIVISION
CONTRACT EXTRACT
NOTICE OF AWARD/RENEWAL

DATE:	August 1, 2022
CONTRACT COMMODITY/SERVICE: *(include contracting entity if cooperative)*	Property Classification & Valuation Services
CONTRACT NUMBER:	2323A
COMMODITY CODE:	94616
CONTRACT PERIOD:	August 1, 2022 through July 31, 2023
RENEWAL OPTIONS:	Four (4) one-year renewal options
USER DEPARTMENT:	Finance Department – Revenue
Contact Name:	Leo M. Marsh
Phone Number:	804-501-4592
Email Address:	mar05@henrico.us
HENRICO COOPERATIVE TERMS INCLUDED:	Yes
SUPPLIER: Name:	Merit Advisors, LLC
Address:	801 E. California Street, Suite 306
City, State:	Gainesville, TX
Contact Name:	Pat Sloan
Phone Number:	940-612-3921
Email address:	psloan@meritadvisor.com
ORACLE SUPPLIER NUMBER:	104561
BUSINESS CATEGORY:	Non-Swam
PAYMENT TERMS:	Net 45
DELIVERY:	As needed as required
FOB:	County of Henrico, VA
BUYER: Name:	Jianchong Luo
Title:	Assistant Division Director
Phone:	804-501-5688
Email:	Luo001@henrico.us

This contract is the result of a competitive solicitation issued by the Department of Finance, Purchasing Division. A requisition must be generated for all purchases made against this contract and the requisition must reference the contract number.

PRICE SCHEDULE – CONTRACT NO. 2323A

Year One:	*Number of hours*	*Cost*
Taxpayer Property Sampling, Table Development, Report Development, Report Delivery: • 400 Consultant hours ($185/hour) • 264 Principal hours ($285/hour) • Source Material - $15,000 • Travel - $1,800	664	$149,240 $15,000 $1,800
Total Cost Year One:		*$166,040*
Annual Cost Years 2 -5:		*Cost*
Each Renewal Year will incur (Years 2-3 / Years 4-5) • 120 Consultant hours ($185/hour; $215/hour) • 224 Principal hours ($285/hour; $335/hour) • Source Material - $15,000	344 annually	
Year Two	344	$101,040
Year Three	344	$101,040
Year Four	344	$115,840
Year Five	344	$115,840
Description:		
Separate Reporting services hourly rate		$300, Years 1-3 $350, Years 4-5
• ***Plus travel expense not to exceed 35% of above hourly rate***		
Litigation support services hourly rate		$350, Years 1-3 $400, Years 4-5
• ***Plus travel expense not to exceed 30% of above hourly rate***		

DocuSign Envelope ID: A7E08579-5B1F-432E-832F-875A4070862F

COMMONWEALTH OF VIRGINIA

County of Henrico

Non-Professional Services Contract
Contract No. 2323A

This Non-Professional Contract (this "Contract") entered into this 6th day of July 2022, by Merit Advisors, LLC (the "Contractor") and the County of Henrico, Virginia (the "County").

WHEREAS the County has awarded the Contractor this Contract pursuant to Request for Proposals No. 22-2323-3KMW, (the "Request for Proposals"), for Property Classification & Valuation Services.

WITNESSETH that the Contractor and the County, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the services to the County as set forth in the Contract Documents.

COMPENSATION: The compensation the County will pay to the Contractor under this Contract shall be in accordance with Exhibit A – Contractor's Best and Final Offer.

CONTRACT TERM: The Contract term shall be for a period of 1 year beginning August 1, 2022 and ending July 31, 2023. The County may renew the Contract for up to four one-year terms giving 30 days' written notice before the end of the term unless Contractor has given the County written notice that it does not wish to renew at least 90 days before the end of the term.

CONTRACT DOCUMENTS: This Contract hereby incorporates by reference the documents listed below (the "Contract Documents") which shall control in the following descending order:

1. This Non-Professional Services Contract between the County and Contractor.
2. The General Contract Terms and Conditions included in the Request for Proposals.
3. Contractor's Best and Final Offer dated June 7, 2022 (Exhibit A).
4. Contractor's Original Proposal dated May 9, 2022 (Exhibit B).
5. The Scope of Services included in the Request for Proposals.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound hereby.

Merit Advisors, LLC 801 E. California Street, Suite 306 Gainesville, TX 76240	County of Henrico, Virginia P.O. Box 90775 Henrico, VA 23273-0775
DocuSigned by: 9655B857D52F4A7...	Digitally signed by: Oscar Knott DN: CN = Oscar Knott email = kno008@henrico.us C = US O = County of Henrico, Virginia OU = Department of Finance - Purchasing Division Date: 2022.07.19 16:24:04 -04'00'
Signature	Signature
William C Presson Managing Partner	Oscar Knott, CPP, CPPO, VCO
Printed Name and Title	Purchasing Director
7/14/2022	July 19, 2022
Date	Date

Version 3.22.21

APPROVED AS TO FORM:
Allison L. Bridges, Esq.
Asst. County Attorney 7/15/22

RFP # 22-2323-3KMW – Attachment A
Merit Advisors, LLC - Best and Final Offer, June 7, 2022

Offerors shall submit an itemized price proposal below. The price shall include all costs associated with completion of the project including but not limited to labor, benefits, overhead, profit, travel, printing/reproduction costs etc.

Year One :	*Number of hours*	*Cost*
Taxpayer Property Sampling, Table Development, Report Development, Report Delivery: • *400 Consultant hours ($185/hour)* • *264 Principal hours ($285/hour)* • *Source Material - $15,000* • *Travel - $1,800*	*664*	*$ 149,240* *$ 15,000* *$1,800*
Total Cost Year One:		*$166,040*
Annual Cost Years Two - Five:		*Cost*
Each Renewal Year will incur (Years 2-3 / Years 4-5): • *120 Consultant hours ($185/hour; $215/hour)* • *224 Principal hours ($285/hour; $335hour)* • *Source Material - $15,000*	*344 annually*	
Year Two	*344*	*$101,040*
Year Three	*344*	*$101,040*
Year Four	*344*	*$115,840*
Year Five	*344*	*$115,840*
Description:		
Separate Reporting services hourly rate		*$300, Years 1-3, $350, Years 4-5*
• ***Plus, travel expense not to exceed 35% of above hourly rate***		
Litigation support services hourly rate		*$350, Years 1-3, $400, Years 4-5*
• ***Plus, travel expense not to exceed 30% of above hourly rate***		

Exhibit B - Contractor's Original Proposal

PROPOSAL TO PROVIDE PROPERTY CLASSIFICATION & VALUATION SERVICES TO THE COUNTY OF HENRICO, COMMONWEALTH OF VIRGINIA
RFP # 22-2323-3KMW

May 9, 2022

Merit Advisors

801 E. California Street
Gainesville, TX 76240
940-665-6452
940-612-3921 (fax)
www.meritadvisor.com

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I. TAB 1 – INTRODUCTION AND SIGNED FORMS

May 9, 2022

Oscar Knott, CPP, CPPO, VCO
County of Henrico
Department of Finance
Purchasing Division
8600 Staples Mill Road
Henrico, VA 23228

Re: Response to RFP #22-2323-3KMW

Submitted via https://eva.virginia.gov

Dear Mr. Knott:

We thank you for the opportunity to submit a bid to assist the County of Henrico with the development of percentage of cost schedules, to be used to value the tangible personal property in the county for property tax assessment purposes.

As an appraisal and property tax consulting firm, we understand the importance of current, market-based schedules in achieving accurate, fair and equitable property tax assessments. We commend the County of Henrico in its commitment to develop and maintain such schedules and we are appreciative of the opportunity to offer these services.

We hope to have the opportunity to meet with you and further discuss your needs, to be selected for this important project, and we ask that you contact us if you have any questions.

Sincerely,

Pat W. Sloan, ASA, CMI
Principal

ATTACHMENT A
PROPOSAL SIGNATURE SHEET

My signature certifies that the proposal as submitted complies with all requirements specified in this Request for Proposal ("RFP") No. 22-2323-3KMW- Property Classification & Valuation Services.

My signature also certifies that by submitting a proposal in response to this RFP, the Offeror represents that in the preparation and submission of this proposal, the Offeror did not, either directly or indirectly, enter into any combination or arrangement with any person or business entity, or enter into any agreement, participate in any collusion, or otherwise take any action in the restraining of free, competitive bidding in violation of the Sherman Act (15 U.S.C. Section 1) or Sections 59.1-9.1 through 59.1-9.17 or Sections 59.1-68.6 through 59.1-68.8 of the Code of Virginia.

I hereby certify that I am authorized to sign as a legal representative for the business entity submitting this proposal.

LEGAL NAME OF OFFEROR (DO NOT USE TRADE NAME):
Merit Advisors, LLC
ADDRESS:
801 E. California Street, Suite 306
Gainesville, TX 76240
SIGNATURE:
NAME OF PERSON SIGNING (print): **Pat Sloan, ASA, CMI**
TITLE: **Principal**
TELEPHONE: **940-665-6452**
FAX: **940-612-3921**
E-MAIL ADDRESS: psloan@meritadvisor.com
DATE: **May 9, 2022**

ATTACHMENT B
BUSINESS CATEGORY CLASSIFICATION FORM

Legal Name of Offeror: MERIT ADVISORS, LLC

PLEASE SPECIFY YOUR BUSINESS CATEGORY BY CHECKING THE APPROPRIATE BOX(ES) BELOW.

(Check all that apply.)

□ SMALL BUSINESS
□ WOMEN-OWNED BUSINESS
□ MINORITY-OWNED BUSINESS
□ SERVICE DISABLED VETERAN
□ EMPLOYMENT SERVICES ORGANIZATION
X□ NON-SWAM (Not Small, Women-owned or Minority-owned)

SUPPLIER REGISTRATION – The County of Henrico encourages all suppliers interested in doing business with the County to register with eVA, the Commonwealth of Virginia's electronic procurement portal, http://eva.virginia.gov.

If certified by the Virginia Minority Business Enterprises (DMBE), provide DMBE certification number and expiration date.

____TO651358_____NUMBER **Renewed Registration on May 4, 2022_DATE**

DEFINITIONS

For the purpose of determining the appropriate business category, the following definitions apply:

"Small business" means a business, independently owned and controlled by one or more individuals who are U.S. citizens or legal resident aliens, and together with affiliates, has 250 or fewer employees, or annual gross receipts of $10 million or less averaged over the previous three years. One or more of the individual owners shall control both the management and daily business operations of the small business.

"Women-owned business" means a business that is at least 51 percent owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest is owned by one or more women who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more women.

"Minority-owned business" means a business that is at least 51 percent owned by one or more minority individuals who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest

ATTACHMENT C
VIRGINIA STATE CORPORATION COMMISSION (SCC)
REGISTRATION INFORMATION

The Offeror:

X is a corporation or other business entity with the following SCC identification number: _____ **TO651358**_____ **-OR-**

☐ is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust **-OR-**

☐ is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the Bidder/Offeror in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from offeror's out-of-state location) **-OR-**

☐ is an out-of-state business entity that is including with this bid/proposal an opinion of legal counsel which accurately and completely discloses the undersigned Bidder's/Offeror's current contacts with Virginia and describes why whose contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

Please check the following box if you have not checked any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for bids/proposals: □

ATTACHMENT D

PROPRIETARY/CONFIDENTIAL INFORMATION IDENTIFICATION

NAME OF FIRM/OFFEROR: **MERIT ADVISORS, LLC**

Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of Va. Code § 2.2-4342.F in writing, either before or at the time the data or other material is submitted. The Offeror must specifically identify the data or materials to be protected including the section of the proposal in which it is contained and the page numbers and state the reasons why protection is necessary. A summary of trade secrets and proprietary information submitted shall be submitted on this form. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. Va. Code § 2.2-4342(F) prohibits an Offeror from classifying an entire proposal, any portion of a proposal that does not contain trade secrets or proprietary information, line-item prices or total proposal prices as proprietary or trade secrets. If, after being given reasonable time, the Offeror refuses to withdraw such a classification designation, the proposal will be rejected.

SECTION/TITLE	PAGE NUMBER(S)	REASON(S) FOR WITHHOLDING FROM DISCLOSURE

ATTACHMENT E

INSURANCE SPECIFICATIONS

The request for proposal stipulates the Successful Offeror must provide The County of Henrico a certificate of insurance for a minimum $1,000,000 per claim for Errors and Omissions Insurance.

Merit Advisors carries a policy with $5,000,000 per claim. In the event we are selected as the Successful Offeror, Hanover Insurance Group, Inc., of Worchester, Massachusetts, will issue a certificate of insurance naming the County of Henrico and Henrico County Public Schools as additional insured parties.

II. TAB 2 – STATEMENT OF THE SCOPE

UNDERSTANDING OF, AND RESPONSE TO, THE SCOPE OF SERVICES

1. *Providing all labor, materials, equipment, supervision, and technical services, the successful Offeror shall render an opinion and written report as to the appropriate schedules of percentages of original cost to be used for the Business Tangible Personal Property asset classifications in accordance with Sections 58.1-3503.A.16 and 58.1-3503.A.17 of the Virginia Code.*

   Merit understands and agrees.

2. *The schedules shall be developed in accordance with Virginia law and shall reflect the fair market value, as defined by Virginia law, for the ad valorem assessment of the Business Tangible Personal Property (including computer equipment) asset classifications.*

   Based on previous RFP responses to the County of Henrico and our current engagement for this work, Merit understands fair market value of property to be defined as, "the price which it will bring when it is offered for sale by one who desires, but is not obliged, to sell it, and is bought by one who is under no necessity of having it."

3. *The opinion and report must be provided no later than November 1, 2022, or other agreeable date for tax year 2023, and each November 1 thereafter, if the contract is renewed.*

   Merit understands and agrees.

4. The successful Offeror shall render an opinion and written report as to the appropriate schedule of depreciated cost or percentage(s) of original total capitalized cost, exclusive of capitalized interest, to be used for the Machinery and Tools asset classification in accordance with Section 58.1-3507 of the Virginia Code.

   Merit understands and agrees.

5. *The schedule shall be developed in accordance with Virginia law and shall reflect the fair market value, as defined by Virginia law, for the ad valorem assessment of the Machinery and Tools asset classification.*

   Merit understands and agrees.

6. *The opinion and report must be provided no later than November 1, 2022, for tax year 2023 and each November 1 thereafter, if the contract is renewed.*

   Merit understands and agrees.

7. *In year 1 the Successful Offeror will analyze all the M & T accounts (est. 200) plus a random sample of General Tangible Personal Property accounts (est. 750) to build a database that will then provide them with the ability to recommend the 3 depreciation schedules for our locality.*

   Merit understands and agrees.

8. *The Successful Offeror shall provide an update of the depreciation tables developed for years 2 – 5 of the contract.*

   Merit understands and agrees.

9. *At least once prior to submitting the written reports and opinions required in paragraphs A & B above, the successful Offeror shall meet with the Director of Finance, or his designee(s), to discuss its conclusions and the underlying basis thereof.*

   Merit understands and agrees.

10. *All schedules developed and submitted shall:*

    i. *Be appropriate for use countywide for ad valorem tax assessment purposes;*
    ii. *Reflect fair market value, as defined by Virginia law, following generally accepted guidelines and recognized methods and techniques in accordance with Uniform Standards of Professional Appraisal Practice as appropriate;*
    iii. *Reflect fair market value as of January 1 of each tax year for which the contract or* any renewal thereof is in effect; and
    iv. Be developed in accordance and compliance with all requirements of Virginia law.

    Merit understands and agrees.

11. All written reports shall set out in detail the methodology employed and the factual support for all conclusions reached.

    Merit understands and agrees.

12. The successful Offeror shall furnish, with no additional fee, competent and experienced personnel, duly qualified, to:

    i. Meet, at the request of the Director of Finance, with County officials, agents, or employees, to discuss its work and conclusions reached; and
    ii. Defend in any administrative proceeding or appeal, its schedules, reports, and opinions.

    Merit understands and agrees.

13. In the event of litigation, the successful Offeror shall agree to furnish a sufficient number of competent and experienced personnel, duly qualified, to provide expert testimony defending its schedules, reports, and opinions.

    Merit understands and agrees.

14. The successful Offeror shall furnish a sufficient number of competent and experienced personnel, duly qualified and licensed, if necessary, by the Commonwealth of Virginia under Title 54.1 of the Code, to work on-site, if necessary, within the county during the year to enable it to timely fulfill its contract requirements. The final report relevant to each of these projects must also be issued and signed by a duly certified expert within the appraisal field.

    Merit will deploy Pat Sloan and Rob Clark as project principals, Megan McCage as manager, Tyler Weir and Matt Wolfe as experienced property tax consultants, with additional staff as necessary.

15. All work papers, schedules, printouts, computer data in whatever form, and other materials furnished by the County or created and used by the successful Offeror in fulfilling its contract obligations shall remain or become the property of the County, and the successful Offeror shall treat as confidential and maintain confidentiality of all these materials as well as of its opinions and reports. The Offeror agrees to be bound by the Secrecy of Information Act, Sec. 58.1-3 of the Virginia Code **(Attachment G).**

    Merit understands and agrees.

16. Any requirements affecting the services to be provided under this RFP that have been or will be enacted by the Virginia General Assembly, are or will become part of the case law of the Commonwealth, have been or will be promulgated by the County Board of Supervisors or Director of Finance during the term of any contract awarded shall be followed by the successful Offeror so as to enable the County to be in strict compliance with all tax laws, rules and regulations.

    Merit understands and agrees.

17. *Invoices for services shall be submitted to County of Henrico, Revenue Division, P.O. Box 90775 Henrico, VA 23273-0775, Attn: Leo Marsh.*

Merit understands and agrees.

III. TAB 3 – OFFEROR QUALIFICATIONS, EXPERIENCE, RESUME AND FINANCIAL CAPACITY

COMPANY PROFILE

Offerors are to present a Company profile that shows the ability, capacity and skill of the Offeror, their staff, and their employees to perform the services required within the specified time.

Our company profile is as follows:

1. Merit is a valuation and consulting firm.
2. While Merit is active in a wide range of valuation and state and local tax issues, its primary focus and largest revenue segment is in property tax matters.
3. Merit is active in the property tax field, providing appraisals and valuation consulting, compliance services and advocacy-based property tax consulting.
4. Merit has state-certified professionals and appraisers experienced in real property and tangible business personal property appraising.
5. Merit has two professionals holding a professional appraisal designation from the American Society of Appraisers, experienced in developing percent good tables to be used in the mass appraisal of tangible personal property.
6. Merit has property tax consulting staff well-versed in analyzing business personal property for taxability and classification for valuation purposes.
7. Merit is experienced in working for the public and private sector.

HISTORY, MAJOR FOCUSES, BUSINESS AFFILIATIONS, QUALIFICATIONS

Provide a short history of your firm indicating the length of time it has been in business, its major focuses, business affiliations, and why it is qualified to provide the required services to the County.

Merit Advisors, LLC is a full-service provider of property tax, sales and transaction tax, severance tax and economic development consulting and compliance, as well as appraisals and valuation consulting.

Initially founded in 1998 as an appraisal and property tax consulting firm based in Gainesville, TX, MERIT's heritage is focused on constantly evolving to better serve our clients. This client-focused nature is demonstrated by the expansion of practice areas (sales and transaction tax and severance tax compliance and consulting and economic development and incentives consulting) with offices in geographically strategic locations (Gainesville, Dallas and Houston, TX; Oklahoma City and Tulsa, OK).

Effective January 1, 2016, we changed our name from Merit Advisors, LP to Merit Advisors, LLC. This change was made for corporate consolidation purposes.

Our 500+ clients range from publicly traded corporations to individual small business owners and are serviced by a team that combines engineers, appraisal and valuation experts and seasoned tax and consulting professionals that bring together the perfect balance of high quality and diverse solutions of a larger firm while not foregoing the "high level touch" customer service of

a smaller firm. Through our five locations and 59 professionals, Merit has completed consulting engagements in all 50 states. The robust experience of our professionals combined with our industry relationships allows us to guide our clients through the qualitative and quantitative aspects across each of our consulting practices.

The Merit Appraisal Team has over 100 years of combined appraisal experience in valuations for lending, estate, litigation, condemnation, and portfolio assessment, as well as expert witness testimony. We provide appraisals on all types of real property including residential, commercial and land, business personal property, as well as mineral valuations. Our past clients include major lending institutions such as First State Bank, American Bank, Legend Bank, Landmark Bank, and Prosperity Bank, the municipalities of Sherman, TX and Gainesville, TX, U.S. Army Corps of Engineers, Texas Department of Transportation, Oklahoma Gas & Electric, ENCOR, Greater Texoma Utility Authority, as well as numerous attorneys, accountants, and individual property owners in Texas and Oklahoma.

Our personnel are experienced professionals in the appraisal and property tax fields. We have real estate appraisers with state licensure in Oklahoma and/or Texas.

Two of our Principals are credentialed in the appraisal of complex business personal property.

Pat Sloan holds the Accredited Senior Appraiser-Machinery & Technical Specialties/Machinery & Equipment designation of the American Society of Appraisers and is licensed in Texas as a General Certified Real Estate Appraiser. Mr. Sloan holds a Certified Member designation from the Institute for Professionals in Taxation and has been on its roster of instructors at its annual Property Tax School since 2013. Mr. Sloan has assisted the County of Henrico with its tangible personal property schedules for tax years 2003 – 2007 (at a previous employer) and 2013 – 2022 (at Merit).

Robert Clark is a petroleum engineer, holds the Accredited Senior Appraiser-Machinery & Technical Specialties/Machinery & Equipment designation of the American Society of Appraisers and has extensive experience in the appraisal of complex business personal property.

REVENUE SOURCES, FINANCIAL CONDITION, FINANCIAL REPORT

Describe your firm's revenue sources and comment on your firm's financial condition and include the most recent audited financial report.

Merit Advisors LLC is a private limited liability corporation (LLC). Our firm policy prohibits the release of our financial information, which is consistent with the practice of other professional service management and advisory firms of similar size. To assist you in your consideration of our proposal, however, please consider the following information (as stated previously): Merit Advisors, LLC currently has a strong financial position exhibited by the entity's solid capitalization

(zero debt), adequate liquidity levels ($500k+ in working capital), and consistently high profit margins (approximately 30%).

ANY CENSURE OR LIGIATION INVOLVING OUR FIRM OR PERSONNEL

Describe any censure or litigation involving your organization or any of its personnel at any time.

Neither Merit nor any principals or employees have been subject to censure by any governmental agencies or professional organizations.

In 2021, Merit Advisors was the Plaintiff in a lawsuit brought against a former employee and their new employer. The lawsuit was brought due to allegations of a breach of a non-solicitation agreement by the former employee as well as sharing of proprietary information by the former employee with a competitor. The case settled pursuant to the terms of a confidential settlement agreement in 2022.

EXPERT TESTIMONY DURINBG LITIGATION RELEVANT TO PROPERTY TAX ISSUES

Describe your firm's background in providing expert testimony during litigation relevant to ad valorem tax assessment issues.

Merit personnel regularly testify before county boards of equalization on property tax matters. Testimony encompasses valuation issues for a range of taxpayers and properties such as producing oil and gas wells, oilfield service companies, pipelines, manufacturing, power generating facilities, commercial cattle feeding operations, farms and ranches, commercial offices, retail stores, hotels, and apartments.

Merit's appraisers also provide expert testimony in court proceedings involving property values subject to dissolution due to divorce, condemnation, and acquisitions.

Specific to business personal property schedules, Pat Sloan has developed schedules for electric distribution lines (Michigan Electric Cooperative Association), digital multifunction devices (Xerox Corporation), and county-wide assessment schedules (County of Henrico). Mr. Sloan provided expert testimony to county hearing officers in the performance of the latter two projects.

ACCOUNTS, AND PRIOR BUSINESS TANGIBLE PERSONAL PROPERTY VALUATION EXPERIENCE

Identify the types of accounts primarily sought by your firm and cite any prior experience in the valuation of Business Tangible Personal Property for ad valorem tax assessment purposes.

Merit's clients are in two broad categories:

1. Appraisal, Appraisal Consulting Services – Appraisal clients consist of commercial lenders, municipalities, businesses, and individuals. Most appraisals are performed in Texas and

Southern Oklahoma. However, Merit appraisers have performed appraisal and valuation consulting services in Arkansas, Colorado, Utah, Virginia, Wyoming, and West Virginia.

2. State and Local Tax Consulting – Property tax, sales and use tax, severance tax and economic development and business incentives consulting clients range from oil and gas producers, oilfield service companies, oil and gas transportation companies, healthcare, manufacturers, power generation, hospitality owners, retailers, leasing companies, agribusiness, and individuals.

Merit's client base is predominately in private industry. However, Merit's appraisers do, by definition, perform unbiased, objective appraisals. And, Merit does have experience serving municipalities.

Also, as stated previously in this RFP response, Merit personnel have performed tangible personal property appraisals for insurance, purchase price allocation, and property tax purposes. Merit has provided appraisals or appraisal consulting for property in the following industries: cement production, chemical manufacturing, telecommunication, tire manufacturing, electrical distribution, office equipment, semiconductor fabrication, petroleum refining, and food processing.

PRIOR EXPERIENCE WITH LITIGATION CHALLENGING THE VALIDITY OF APPRAISALS

Describe your firm's prior experience in dealing with litigation challenging the validity of your appraisal.

To date, Merit has not been challenged with litigation regarding the validity of any appraisal the firm has completed. Merit appraisers have defended their conclusions in litigation proceedings for eminent domain, estate tax, property tax and marital dissolution purposes.

RESUMES OF PROPOSED STAFF PROVIDING THE SERVICES

Merit professionals who will provide service for this project include:

Will Presson, Managing Partner. Will Presson serves as Managing Partner and Founder at Merit Advisors. Mr. Presson manages clients' property portfolios, ensuring that their annual property tax liabilities are accurate and minimized. With this focus, he regularly negotiates with various levels of city, county, and state officials to achieve assessed value adjustments, directs property tax return preparation, audits, and appeals, and proactively secures tax abatements and exemptions. Mr. Presson's previous experience as Cooke County Chief Appraiser is of significant benefit to his clients as he minimizes their property tax burden.

Mr. Presson also serves as the Senior Review Appraiser at Merit, reviewing and approving all appraisal reports, and is a court-recognized expert witness in valuation matters. Mr. Presson is a Texas licensed Senior Property Tax Consultant, and an Oklahoma and Texas Certified General Real Estate Appraiser.

Mr. Presson founded Merit Advisors in 1997. Prior to that time, Mr. Presson served as President at Tom Haywood & Associates, a property tax consulting firm in Wichita Falls, Texas (1990-1997).

Mr. Presson is experienced in Texas school finance and administration, having served as President of the Gainesville Independent School District Board of Trustees.

Pat Sloan, ASA, CMI, Principal. Pat Sloan serves as Principal - Property Tax at Merit Advisors. Mr. Sloan manages clients' property portfolios, ensuring that their annual property tax liabilities are accurate and minimized. With this focus, he regularly negotiates with various levels of city, county, and state officials to achieve assessed value adjustments, directs property tax return preparation, audits, and appeals, and proactively secures tax abatements and exemptions.

Mr. Sloan also provides valuation consulting services, ranging from property appraisals to market studies, obsolescence studies, and depreciation studies. Mr. Sloan focuses on valuation consulting services for property tax purposes but has also provided appraisals for purchase price allocation and insurance purposes.

Mr. Sloan has performed property tax consulting and/or independent appraisals in Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, and Wyoming.

Mr. Sloan has provided testimony at numerous hearings and depositions across the United States supporting the conclusions of value. Mr. Sloan has prepared and offered several presentations discussing appraisal concepts and techniques.

Prior to joining Merit Advisors, Mr. Sloan served as a Senior Manager with Advantax Group's Dallas office (2003-2007) and served as a Manager in the Dallas office of American Appraisal Property Tax Service (AAPTS), a subsidiary of American Appraisal Associates (1999-2003). He gained extensive experience by serving as Tax Manager at Arthur Anderson LLP in Dallas (1997-1999), and as a Partner at Tax Management Group and Western Land & Appraisal in Irving (1988-1997). Previously, Mr. Sloan served as a Property Tax Consultant at Ad Valorem Tax Consultants/Strategis in Lewisville/Dallas (1981-1988), he gained electric industry experience as a Property Tax Representative for Southwest Public Service in Amarillo, Texas (1977-1981), and began his career as a Business Personal Property Appraiser at Prichard & Abbott, Amarillo, Texas (1974-1977). Pritchard & Abbott is a valuation firm who serves assessing jurisdictions, primarily in Texas. Mr. Sloan earned a Bachelor of Business Administration Degree from West Texas State University, with focus of study in Real Estate and Finance.

Mr. Sloan is a Texas licensed Senior Property Tax Consultant, a Texas Certified General Real Estate Appraiser, an Accredited Senior Appraiser – Machinery & Technical Specialties ("ASA") with the

American Society of Appraisers and is a Certified Member ("CMI") with the Institute for Professionals in Taxation.

Robert Clark, ASA, Principal. Rob Clark serves as Principal - Property Tax at Merit Advisors. With over 30 years of valuation and consulting experience within the energy industry Mr. Clark has a wealth of knowledge in the development of complex property valuations, property tax management, expert testimony, mergers and acquisitions, purchase price allocation, and tax incentive consulting. Further, Mr. Clark has consulted, advised, and assisted clients with their property tax operations and functions in the United States, Canada, and the former Soviet Union.

Mr. Clark has provided testimony at numerous hearings and depositions across the United States supporting the conclusions of value. Mr. Clark has prepared and offered several presentations discussing appraisal concepts and techniques.

Mr. Clark's consulting career began with the valuation and consulting firm, Pritchard & Abbott, Inc., (1988-1997) where his responsibilities included supervision of the Austin industrial department, development of major complex property valuations, and expert testimony for litigation purposes. He then joined Ernst & Young, LLP (1997-2003) where he managed property tax departments for large corporations, consulted in various tax assignments, and provided advisory services for a multi-billion-dollar refinery merger.

Prior to joining Merit, Mr. Clark was a consultant/partner at Stancil & Co. (2003-2021) where he continued his consulting career performing engineering and appraisal services for energy-related clients in mergers and acquisitions, purchase price allocations, finance, and ad valorem tax engagements.

Mr. Clark has BS in Petroleum Engineering from Texas A&M University and is an accredited Senior Appraiser – Machinery & Technical Specialties ("ASA") with the American Society of Appraisers.

Megan McCage, Senior Manager. Megan McCage serves as Senior Manager - Property Tax at Merit Advisors, LLC, joining Merit in 2009. Ms. McCage is a licensed Property Tax Consultant in Texas. She manages clients' property portfolios, ensuring that their annual property tax liabilities are accurate and minimized. With this focus, she regularly negotiates with various levels of city, county, and state officials to achieve assessed value adjustments, directs property tax return preparation, audits, and appeals, and proactively secures tax abatements and exemptions.

Ms. McCage has performed property tax consulting in Arkansas, Colorado, Florida, Kansas, Louisiana, Michigan, New Mexico, Oklahoma, Texas, Pennsylvania, Ohio, West Virginia, and Wyoming. She also manages client's accruals, estimating their year-end tax liability.

Prior to joining Merit Advisors, Ms. McCage served as a Senior Accountant Assistant at Chesapeake Energy (2008). In this role, she managed tax liability accruals and served as the liaison for contracted tax agents. Ms. McCage earned a Bachelor of Business Administration Degree from Texas Women's University.

Tyler Weir, Senior Consultant. Tyler Weir serves as a Senior Consultant – Property Tax at Merit Advisors, LLC. Mr. Weir manages clients' property portfolios, ensuring that their annual property tax liabilities are accurate and minimized. With this focus, he regularly negotiates with various levels of city, county, and state officials to achieve assessed value adjustments, directs property tax return preparation, audits, and appeals, and proactively secures tax abatements and exemptions.

Mr. Weir is a licensed Property Tax Consultant in Texas, and in addition to property tax representation of energy clients, and manages client's accruals, estimating their year-end tax liability, Mr. Weir assists Mr. Sloan with mineral appraisals.

Prior to joining Merit Advisors, Mr. Weir worked as a Drilling Fluids Engineer for Buckeye, Inc. in Midland, TX where he maintained drilling fluid properties for drilling programs for various operators in the Permian Basin.

Mr. Weir earned a bachelor's degree in petroleum engineering from Texas Tech University and is currently participating in the Machinery & Technical Specialties curriculum of the American Society of Appraisers.

Matt Wolfe, Mineral Associate, Merit Mineral Management. Mr. Wolfe, in addition to his duties managing the portfolios of owners of producing oil and gas minerals, has assisted Mr. Sloan in the data collection of programmable computer equipment, and mobile construction equipment, in the previous County of Henrico contract for services. Mr. Wolfe has been at Merit since 2016 and worked previously as a Landman for T.S. Dudley Land Company, Oklahoma City, Oklahoma (2013-2016). Mr. Wolfe graduated from Midwestern State University, Wichita Falls, Texas, with a bachelor's degree in Political Science, with a Minor in History.

ORGANIZATIONAL CHART OF OUR FIRM

Provide an organizational chart of your firm indicating the position of each individual. Identify the number of professionals employed by your firm according to classification.

Merit employees 70 individuals skilled in the various aspects necessary for a professional services firm. By category, Merit colleague concentrations are as follows: Management/Administration – 7, Information Technology – 4, Property Tax Professionals – 37, Property Tax/Valuation Professionals – 6, and State and Local Tax Professionals – 16.

Our management team is as follows:
Tony Kroschewsky, Chief Executive Officer
Will Presson, Founder, Managing Partner, Head of Property Tax
Daron Fredrickson, Partner, EVP of Business Development
Carolyn Schantz, CPA, CMI, EVP of Revenue and Head of Sales Tax
Adam Sijansky, EVP of Operations

Merit staff, by Principals assigned to the County of Henrico project, are as follows:

Pat W. Sloan, ASA, CMI
Senior Manager - Megan McCage
Managers - Lauren Ashton, Jace Koelzer
Senior Consultants – Tyler Weir, Cason Presson, Shelby Brewer, Matt Wolfe. Kielyn Lewis
Consultants – Kalley Jackson, Erin Boyd, Ashley Haverkamp, Dakota Nichols, Jackie Shortnacy, Ricardo Gonzalez
Assistant II - Tracy Quin
Assistants I - Shilah Bell, Jessica Green

Robert Clark, PE, ASA
Consultant III – Yvonne Kimbrel

STAFF'S PRIOR EXPERIENCE IN DEVELOPING LIFING SCHEDULES FOR THE PUBLIC SECTOR

Mr. Pat Sloan has appraised business personal property for assessing jurisdictions in Texas (while with Pritchard & Abbott), developed specific personal property schedules for electric distribution lines (Michigan Electric Cooperative Association), digital multifunction devices (Xerox Corporation), and county-wide assessment schedules (County of Henrico – thirteen of the last seventeen years). Mr. Sloan provided expert testimony to county hearing officers in the performance of the latter two projects.

Mr. Clark appraised business personal property for taxing entities located in the states of Texas, Mississippi, Alaska, and Louisiana for 9 years while at Pritchard & Abbott. During that time, Mr. Clark also represented the State of Louisiana with the development of service life and depreciation schedules for midstream energy industry. When required, expert testimony was provided to support his conclusions.

BUSINESS PHILOSOPHY

A. Describe your firm's business philosophy.

1. *Has it changed in the past five years?*
2. *What is distinctive about your company's approach to assessment issues?*

While Merit has expanded its expertise and service offerings into the sales and use tax, severance tax and economic development and business incentives areas, this has been a broadening of services to better serve our growing client base, not a change in philosophy.

Merit Advisors, LLC, is a firm which was founded based on valuation expertise. We primarily perform property tax consulting, which, by definition, is client advocacy and does not constitute appraisal practice. However, we do also perform appraisals and valuation consulting services which, by definition, constitute unbiased, impartial, disinterested valuation opinions.

When a potential client approaches Merit with a valuation issue, and more specifically a property tax issue, we must evaluate the situation and recommend to the client if we should be engaged for property tax consulting services, valuation consulting, or if we should be engaged at all. We must also evaluate for any engagement whether providing any of these services constitutes a conflict of interest for previous or current clients.

Once our role is defined, and we and the client both conclude that retaining us for the project is appropriate and, in the client's, best interest, we must act consistently within that role. This has been Merit's approach since inception and has not changed in over 20 years in business.

What is perhaps distinctive about Merit's approach to assessment issues is the simple understanding that the property tax system is, at its essence, a mechanism to equitably distribute the responsibility of a free people for funding our representative system of government. All parties should act to protect the integrity of such a system, regardless of personal interest.

Should Merit, in this process, be selected for a personal interview, we will discuss with you the considerations listed above. We have reviewed existing Merit clients and determined we have one client for whom we file a business personal property return in the County of Henrico. The client is Arcadis, account number 102013, which has computer equipment and furniture and fixtures at 9954 Mayland Drive, Richmond, and the current county valuation is $137,918. Arcadis is represented by our Oklahoma City office, who will have no input into Merit work for this assignment. All services for property classification and valuation services will be performed by Gainesville and Dallas personnel. We have Merit services performed in the County of Henrico segregated within our organization to maintain the integrity of results.

Additionally, while Merit would develop recommended precent good schedules for the valuation of business tangible personal property within the boundaries of the County of Henrico, the appraisal of said property is performed by personnel of the Department of Finance, County of Henrico.

We have the expertise and experience to develop accurate tangible business personal property schedules which impartially and accurately reflect and evaluate a true cross section of the property to be appraised by the County of Henrico within its area of authority.

IV. TAB 4 – REFERENCES

Offerors should include a minimum of three (3) references where the offeror has provided services similar to the services listed in the RFP. The information provided should include a contact person's name, position, up-to-date phone number, and e-mail address. The company for which the contact person worked, and the time period of the services performed. It is preferred that these references be in close proximity to Virginia.

a. Barry Sullivan, City Manager, City of Gainesville, Texas
   200 S. Rusk Street
   Gainesville, TX 76240
   940-668-4500
b. Clint Philpott, Director of Engineering, City of Sherman, Texas
   220 W. Mulberry Street
   Sherman, TX 75090
   903-892-7200
c. Heath Brown, Town Engineer, Town of Sunnyvale, Texas
   127 N. Collins Road
   Sunnyvale, TX 75182
   972-203-4150

V. TAB 5 – SERVICE APPROACH/IMPLEMENTATION OF SERVICES

METHODOLOGY AND APPROACH TO THE PROJECT

Provide in detail, the methodology and approach by which they propose to perform each required service.

Merit will approach the project and apply the following methodology:

1. Survey and analysis of assessable properties in the County of Henrico
    a. We will utilize experienced staff to analysis the taxpayers' hard copy renditions or fixed asset lists provided by the County of Henrico. Property will be categorized (machine shop equipment, medical equipment, personal computers, furniture, etc.) and then compiled based on invested cost, which will be the common denominator of taxpayer-provided information.
    b. The Merit project manager will direct, and review, staff work and correlate the results.
    c. From the survey results, Merit-developed percent good factor schedules will be weighted to develop overall, composite schedules for Tangible Non-Manufacturing Business Personal Property (Schedule 80), Programmable Computer Equipment (Schedule 85), and Machinery and Tools (Schedule 90).

2. Merit-developed percent good tables for machinery and tools, and furniture

    a. We will examine the categories of assessable properties in Henrico County, determined by the review discussed above.
    b. We will research the marketplace to develop percent good schedule factors for the various categories of assessable properties, as follows:
        i. Contact marketplace participants, such as used equipment dealers, to determine economic lives and the progressive change in utility and fair market value of the assets over time.
        ii. Internet research – conduct research for various industry authorities, as trade organizations, for general trends in equipment market conditions, technology, and values.
        iii. Cost/value publications – consult available publications for property characteristics, changes, costs and used values.

3. Merit-developed percent good tables for computers and peripheral equipment
    a. We will examine the categories of assessable properties in Henrico County, determined by the review discussed above.

b. We will research the marketplace to develop percent good schedule factors for the various categories of assessable properties, as follows:
    i. Review and analyze past, present, and anticipated technological change in programmable computer equipment.
    ii. Contact marketplace participants, such as used equipment dealers, to determine economic lives and the progressive change in fair market value of the assets over time.
    iii. Internet research – conduct research for various industry authorities, as trade organizations, for general trends in equipment market conditions, technology, and values.
    iv. Cost/value publications – consult available publications for property characteristics, changes, and used values.

4. Composite Schedules

    We will blend the category-specific schedules into one composite table, for each of the three County of Henrico-determined schedule types, weighted by the results of the analysis of assessable properties in the County of Henrico.

5. Due Diligence

    We will conduct a nation-wide survey of larger assessing jurisdictions, examining the category-specific schedules used for property assessment, to estimate common assessment practices. Category-specific averages from that survey will be developed and compared to the Merit-developed schedules. The County of Henrico will then be able to compare the project results against its peers.

6. Reporting

    We will prepare a detailed summary report for each schedule, enabling the reader to understand the approach, methodology, development, and results of the schedules. Merit will maintain detailed work papers, which will be available to the County of Henrico.

7. Compliance

    Schedule development, reporting, and all project services will be in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), and the Code of Ethics of the American Society of Appraisers, regarding appraisal consulting for mass appraisal purposes.

DATABASE DEVELOPED/ACCESS TO

Describe the database your firm has developed (or has access to) that enables it to determine the appropriate depreciation factors for arriving at "fair market value".

Merit maintains a historical record of over 20,000 offerings of equipment contained in the 80, 85, and 90 reports, which is added to each year. Merit also subscribes to publications such as Equipment Watch, to obtain current and past costs new and current sales data for various types of equipment. Merit has a file of information from regularly contacted used equipment dealers, who provide market analysis information, used equipment sales, and estimated value over time information. The accumulated data and information $A = \pi r^2$ stored in Excel files, and scanned documents.

COPIES OF DOCUMENTS REQUIRING SIGNATURES

Provide copies of any documents that would require signatures (i.e., license agreements, etc.).

Not applicable.

VI. TAB 6 – PRICING / COST PROPOSAL

ATTACHMENT F
Pricing Proposal

Offerors shall submit an itemized price proposal below. The price shall include all costs associated with completion of the project including but not limited to labor, benefits, overhead, profit, travel, printing/reproduction costs etc.

Year One :	*Number of hours*	*Cost*
Taxpayer Property Sampling, Table Development, Report Development, Report Delivery: • *400 Consultant hours ($200/hour)* • *264 Principal hours ($300/hour)* • *Source Material - $15,000* • *Travel - $1,800*	*664*	*$ 159,200* *$ 15,000* *$1,800*
Total Cost Year One:		*$176,000*
Annual Cost Years Two - Five:		*Cost*
Each Renewal Year will incur (Years 2-3 / Years 4-5): • *120 Consultant hours ($200/hour; $230/hour)* • *224 Principal hours ($300/hour; $350/hour)* • *Source Material - $15,000*	*344 annually*	
Year Two	*344*	*$106,200*
Year Three	*344*	*$106,200*
Year Four	*344*	*$121,000*
Year Five	*344*	*$121,000*
Description:		
Separate Reporting services hourly rate		*$300, Years 1-3, $350, Years 4-5*
• ***Plus, travel expense not to exceed 35% of above hourly rate***		
Litigation support services hourly rate		*$350, Years 1-3, $400, Years 4-5*
• ***Plus, travel expense not to exceed 30% of above hourly rate***		

VII. TAB 7 – EXCEPTIONS

None Asserted

VIII. TAB 8 – ASSUMPTIONS

In this tab, offerors shall list any assumptions made when responding to this Request for Proposal.

Merit assumes the County of Henrico does not require Commonwealth of Virginia real estate appraisal licensure for this project, based on the following:

a. We reviewed Title 54.1-2011, Necessity for license, Code of Virginia, and concluded required real estate appraisal licensure in the Commonwealth applies only to real estate appraisal and valuation consulting services.
b. Title 54.1-2011 is silent regarding appraisal and valuation consulting services for Business Tangible Personal Property.
c. The subject of the RFP is for Property Classification & Valuation Services is specifically for Business Tangible Personal Property, with no identification of Real Estate within the Scope of Services.

IV. TAB 9 – APPENDICES

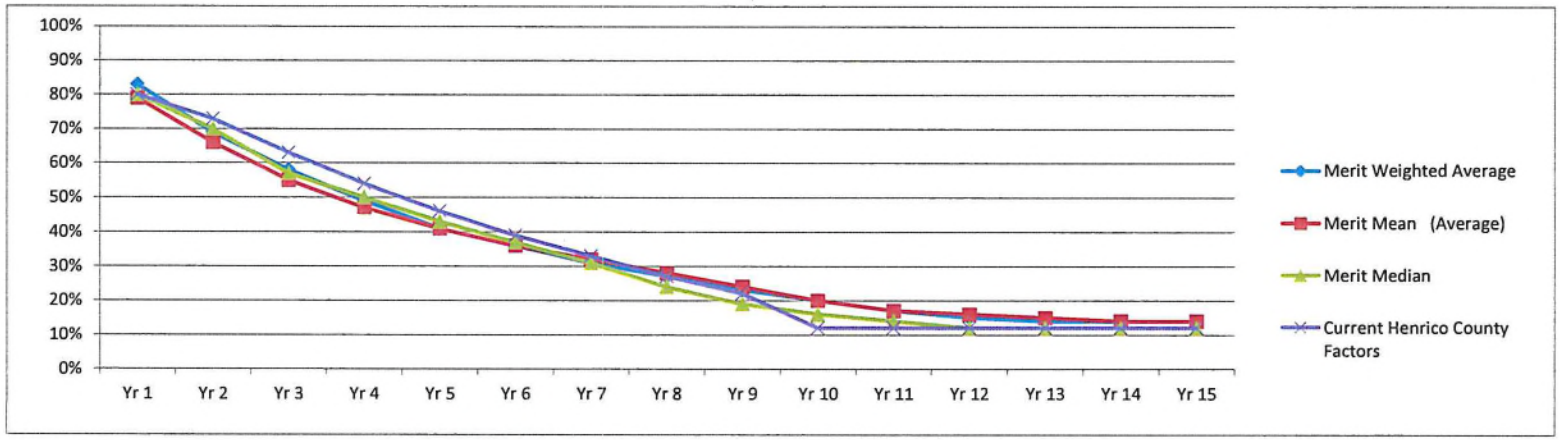
Report Excerpts – County of Henrico Tax Year 2022 Schedules 80, 85, and 90

EXHIBIT E - MERIT ADVISORS, LLC, PERCENT GOOD FACTORS FOR SCHEDULE 80 TANGIBLE PERSONAL PROPERTY, TAX YEAR 2022 (1)

Fair Market Value - Installed

Equipment type	Percentage of Survey	EL/yrs.	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Office Furniture & Fixtures, Equipment - general furniture, modular furniture, files, safes	41.3%	9	85%	70%	57%	47%	37%	31%	27%	23%	19%	16%	14%	12%	12%	12%	12%
Data Handling Equipment- phone and audio/visual systems, etc. (excluding copiers)	6.4%	5	68%	41%	26%	14%	7%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Hospital/Medical Equipment (no digital controls)	3.0%	10	83%	70%	60%	51%	43%	37%	31%	24%	19%	16%	12%	12%	12%	12%	12%
Hotel and Misc. Service Equipment	1.9%	8	77%	64%	53%	43%	35%	28%	23%	20%	17%	14%	12%	10%	10%	10%	10%
Grocery/Retail Equipment	4.9%	10	82%	73%	65%	58%	50%	44%	38%	33%	29%	25%	22%	19%	16%	14%	12%
Restaurant Equipment	6.9%	10	77%	64%	56%	48%	40%	35%	29%	22%	17%	14%	10%	10%	10%	10%	10%
General Machinery and Equipment	25.1%	11	86%	76%	67%	58%	51%	44%	38%	33%	29%	25%	22%	19%	17%	15%	15%
Warehouse/Material Handling Equipment	3.1%	10	78%	71%	51%	50%	48%	47%	45%	43%	35%	33%	28%	27%	26%	24%	23%
Construction Equip - cranes, crawlers, loaders, scrapers, tractors	7.4%	14	80%	65%	61%	58%	55%	52%	50%	47%	42%	35%	32%	29%	28%	27%	26%
Weighted Average Economic Life		10															
ent Henrico County Schedule 80 Factors, Tax Year 2021			**80%**	**73%**	**63%**	**54%**	**46%**	**39%**	**33%**	**27%**	**22%**	**12%**	**12%**	**12%**	**12%**	**12%**	**12%**

Merit Weighted Average	**83%**	**69%**	**58%**	**49%**	**41%**	**36%**	**31%**	**27%**	**23%**	**20%**	**17%**	**15%**	**14%**	**14%**	**14%**
Merit Mean (Average)	79%	66%	55%	47%	41%	36%	32%	28%	24%	20%	17%	16%	15%	14%	14%
Merit Median	80%	70%	57%	50%	43%	37%	31%	24%	19%	16%	14%	12%	12%	12%	12%



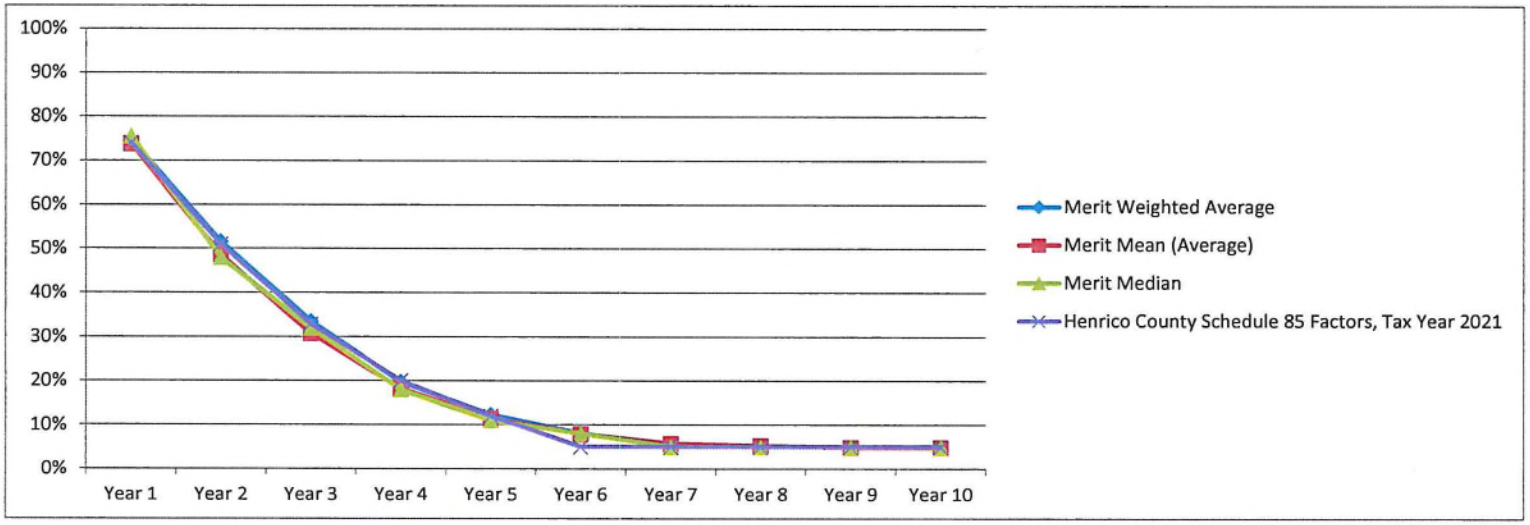
(1) Note: Changes from the Tax Year 2021 report are shown in red font.

EXHIBIT E - MERIT ADVISORS, LLC - PERCENT GOOD FACTORS, END USER VALUE - AVERAGES BY CATEGORY, TAX YEAR 2022 REPORT

Equipment Type	County of Henrico Sample %	Economic Life	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Personal Computers, Tablets, Laptops	11.9%	4	76%	48%	33%	17%	10%	8%	5%	5%	5%	5%
Servers, Midrange and Mainframe	55.1%	6	77%	56%	36%	21%	13%	8%	5%	5%	5%	5%
Printers, Input/Output, Storage	2.4%	4	66%	38%	18%	9%	5%	3%	2%	2%	2%	2%
Digital Document Processing Devices (Copiers)	1.5%	4	73%	44%	22%	11%	6%	4%	3%	3%	3%	3%
Point of Sale (POS) Equipment	0.7%	7	79%	59%	39%	25%	15%	10%	8%	7%	7%	7%
Misc. High-tech (Scanners, UPS, Video Conf., Peripheral, Other)	3.7%	5	68%	41%	26%	14%	7%	5%	5%	5%	5%	5%
Switch (Network & Telecom)	20.1%	6	75%	48%	31%	19%	12%	8%	5%	5%	5%	5%
High Tech, Processor-Driven Medical Equipment	4.6%	8	76%	55%	41%	30%	23%	17%	13%	10%	7%	7%
Weighted Average Economic Life		**5.7**										
Henrico County Schedule 85 Factors, Tax Year 2021			74%	51%	33%	20%	12%	5%	5%	5%	5%	5%

Percent Good Factors from Merit Advisors, L.L.C.

Merit Weighted Average	75%	52%	34%	20%	12%	8%	5%	5%	5%	5%
Merit Mean (Average)	74%	49%	31%	18%	11%	8%	6%	5%	5%	5%
Merit Median	76%	48%	32%	18%	11%	8%	5%	5%	5%	5%

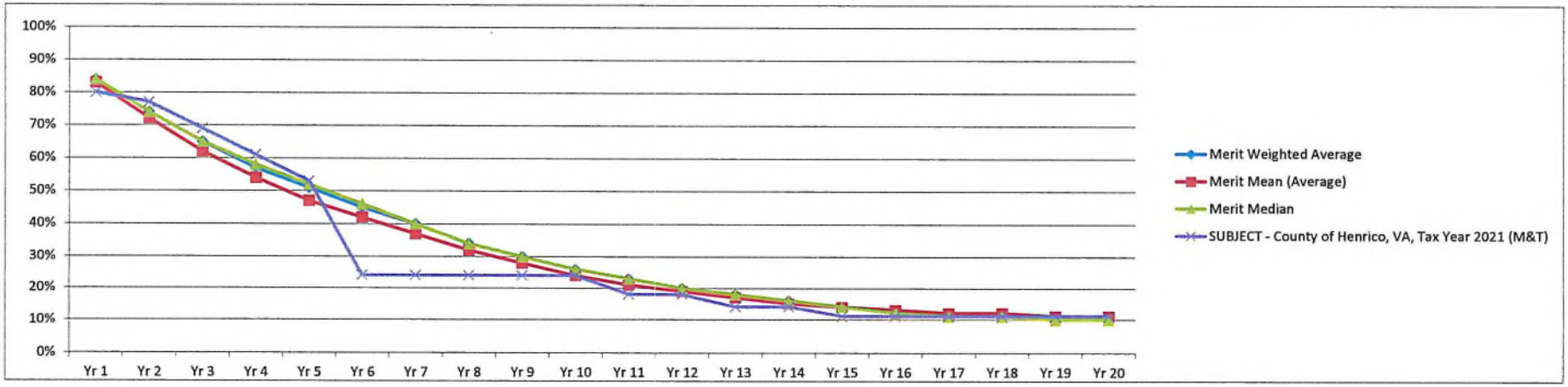


(1) Note: Changes from the Tax Year 2021 Report are shown in **red font.**

EXHIBIT E - MERIT ADVISORS, LLC, PERCENT GOOD FACTORS FOR MACHINERY AND TOOLS, TAX YEAR 2022 REPORT (1)

Machinery & Tools - Fair Market Value Installed

Equipment Type	Percentage of Survey	EL	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20
Bakeries and Confectionery Production Equip.	0.12%	13	86%	76%	67%	59%	52%	46%	40%	35%	31%	27%	24%	21%	18%	16%	14%	12%	11%	10%	10%	10%
Broadcast Equip.	1.93%	6	74%	55%	37%	23%	14%	8%	6%	4%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Chemical Processing Equip.	1.25%	14	86%	79%	73%	67%	61%	54%	48%	42%	37%	32%	28%	24%	21%	18%	16%	14%	12%	11%	10%	9%
Construction Products Equip.	7.20%	20	80%	71%	62%	60%	57%	54%	51%	48%	44%	41%	39%	36%	35%	33%	31%	29%	28%	26%	24%	24%
Conveyors, Process-Specific Material Handling Equip.	3.73%	10	92%	84%	76%	60%	52%	44%	35%	27%	22%	19%	17%	15%	13%	11%	10%	10%	10%	10%	10%	10%
Cranes	0.48%	20	90%	82%	75%	68%	62%	56%	51%	46%	42%	38%	35%	32%	29%	26%	24%	22%	20%	18%	16%	14%
Electronic Mfg/High-Tech Mfg. Equip.	1.57%	6	83%	62%	46%	33%	24%	18%	15%	13%	10%	8%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Fabrication Equip./ Metal, Glass	3.10%	13	83%	75%	66%	58%	51%	45%	40%	35%	31%	27%	24%	21%	18%	16%	14%	12%	11%	11%	11%	11%
Fabrication Equip./ Plastics, Rubber	6.31%	14	86%	79%	73%	67%	61%	54%	48%	42%	37%	32%	28%	24%	21%	18%	16%	14%	12%	11%	10%	9%
Food and Drug Processing Equip.	16.25%	12	85%	74%	64%	58%	53%	46%	40%	34%	29%	23%	19%	18%	16%	14%	14%	13%	12%	11%	10%	10%
Graphic Arts/Printing and Publishing Equip.	32.40%	9	81%	69%	58%	50%	42%	36%	31%	27%	23%	20%	18%	16%	14%	12%	11%	10%	9%	9%	9%	9%
General Industrial/Manufacturing Support Equip.	6.13%	12	84%	74%	65%	57%	50%	44%	39%	34%	30%	26%	23%	20%	18%	16%	14%	14%	14%	14%	9%	14%
Laboratory/Test Equip.	0.68%	8	80%	64%	54%	45%	38%	32%	27%	22%	19%	16%	13%	11%	9%	8%	7%	6%	5%	5%	5%	5%
Laundry/Textiles Equip.	1.34%	10	82%	70%	59%	50%	43%	36%	31%	26%	22%	19%	16%	14%	12%	10%	10%	10%	10%	10%	10%	10%
Machine Tools	0.08%	5	70%	49%	34%	24%	17%	12%	8%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Packaging Equip.	4.61%	11	84%	73%	66%	60%	53%	47%	41%	33%	27%	23%	19%	17%	14%	12%	10%	10%	10%	10%	10%	10%
Paper Converting/Corrugating Equip.	10.04%	15	95%	90%	85%	79%	73%	68%	62%	55%	49%	43%	37%	31%	26%	23%	20%	17%	15%	15%	15%	15%
Rolling Stock (Mobile Equipment)	1.27%	13	79%	68%	56%	54%	52%	50%	48%	45%	39%	34%	30%	28%	27%	26%	25%	25%	25%	25%	25%	25%
Woodworking/ Sawmill Equip.	1.51%	15	90%	81%	72%	67%	61%	56%	51%	46%	41%	36%	31%	26%	22%	19%	16%	14%	12%	12%	12%	12%
Weighted Average Economic Life ("EL")		**12**																				
SUBJECT - County of Henrico, VA, Tax Year 2021 (M&T)			**80%**	**77%**	**69%**	**61%**	**53%**	**24%**	**24%**	**24%**	**24%**	**24%**	**18%**	**18%**	**14%**	**14%**	**11%**	**11%**	**11%**	**11%**	**11%**	**11%**
Merit Weighted Average			**84%**	**74%**	**65%**	**57%**	**51%**	**45%**	**40%**	**34%**	**30%**	**26%**	**23%**	**20%**	**18%**	**16%**	**14%**	**13%**	**12%**	**12%**	**11%**	**11%**
Merit Mean (Average)			83%	72%	62%	54%	47%	42%	37%	32%	28%	24%	21%	19%	17%	15%	14%	13%	12%	12%	11%	11%
Merit Median			84%	74%	65%	58%	52%	46%	40%	34%	30%	26%	23%	20%	18%	16%	14%	12%	11%	11%	10%	10%



(1) Note: Changes from the Tax Year 2021 report are shown in red font.