



County of San Mateo

Inter-Departmental Correspondence

Department: ASSESSOR-COUNTY CLERK-
RECORDER-ELECTIONS

File #: 21-991

Board Meeting Date: 12/14/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Mark Church, Assessor-County Clerk-Recorder & Chief Elections Officer

Subject: Amendment to Agreement with C3 AI Extending the Term from October 31, 2021 to March 31, 2022 and Increasing the Amount by \$200,000 to Provide an Appraisal Valuation Pilot Project Utilizing Artificial Intelligence (AI) Tools and Analytics

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with C3 AI for the pilot services, extending the term from October 31, 2021, to March 31, 2022, and increasing the amount by \$200,000 for a new not to exceed amount of \$400,000.

BACKGROUND:

On April 30, 2021, the Assessor-County Clerk-Recorder and Elections Department (ACRE) signed an Agreement (Agreement No. 13000-21-D025) with C3 AI to build an Appraisal Valuation pilot application to demonstrate the value of an application/product utilizing Artificial Intelligence tools and analytics for commercial property valuation.

The proposed Amendment 1 to Agreement with C3 AI Appraisal Valuation Pilot Project will expand the development of the appraisal valuation pilot application to provide Artificial Intelligence tools and analytics for Residential Property appraisals and valuation.

DISCUSSION:

ACRE's project strategy calls for another Property Appraisal Valuation Pilot project to understand more about the applicability of AI/ML to the valuation of residential properties. The lessons learned from the two pilot projects will help the ACRE team to develop a Request for Proposal (RFP) for an AI-based property valuation solution based on the three valuation approaches - Sales Comparison Approach, Cost Approach, and Income Capitalization Approach.

The contract with C3 AI (Agreement No. 13000-21-D025) ended on October 31, 2021. ACRE is recommending the C3 AI contract be extended from October 31, 2021, to March 31, 2022, and increase the Agreement amount by \$200,000 to a new not to exceed amount of \$400,000.

ACRE entered into the contract (13000-21-D025) with C3 AI following the selection of the C3 AI proposal out of four (4) vendor proposals received by ACRE in response to its RFP for Appraisal Valuation Pilot Project Services issued on April 9, 2021.

County Counsel has reviewed and approved the resolution and amendment as to form.

FISCAL IMPACT:

There is no new Net County Cost. Funding for the \$200,000 amendment will be covered by the department's FY 2021-22 adopted Budget.