

Tax Reform Consulting Services – RFP No. BLR-170002

RFP Questions and Answers for the Week of July 21-27, 2017

No Questions were submitted during this time period.

RFP Questions and Answers for the Week of July 28-August 3, 2017

Q1: What is the distinction in what is requested under section 5.4 Executive Summary, and the 6th bullet point under section 5.5. Vendor's Qualifications?

A1: These are essentially the same. When responding to bullet 6 of Section 5.5, the Vendor may refer the reader to the Executive Summary.

Q1: Is there a certain amount of revenue that the state needs to raise for public services? For example, with this tax reform effort, is the state looking to reducing revenue, raise revenue, or maintain current revenue levels?

A1: This will be a determination for the Task Force to make with the assistance of its chosen Consultant. The Vendor's proposal should encompass the strategies, support, recommendations, and expertise that the Vendor can bring to the Task Force as it works through its study of the tax laws in the State and begins to formulate what tax reform and relief recommendations it will make.

Q2: What are the major "complaints" that legislators receive about the Arkansas tax structure from their constituents?

A2: I am unable to answer that question and do not believe it is relevant to the submission of a proposal in response to the RFP.

Q3: Should the study and recommendations also focus on local taxation and the connection between local and state taxation?

A3: See the response to Question 1.

Q4: The RFP mentions that one of the objectives of the legislative recommendations made by the Task Force, in conjunction with the consultants, will be to "create jobs" in Arkansas. Does this mean that the legislature would like recommendations on special tax provisions connected to the Arkansas Economic Development efforts or does this mean that the legislature would like recommendations to achieve a tax structure that is predictable over the long-haul and one that in general is not considered to be unfair to business?

A4: This will be a determination for the Task Force to make as it begins its study with the assistance of its chosen Consultant.

Q5: What should be in preliminary report as compared to the final report? For example, the preliminary report could be list of all the global problems and strengths of the current tax structure while the final report could contain specific recommendations on how to deal with those problems and emphasize the strengths.

A5: This will be a determination to be made by the Task Force. However, the final report will include recommendations to the full General Assembly based on the work of the Task Force over the preceding year, which will not be available at the time of the preliminary report.

Q6: Will we have the assistance of the Department of Finance and Administration and other government agencies (e.g., the Arkansas Economic Development Commission or any other agency that collects monies) to gather information?

A6: In order to perform the services, the chosen Consultant will require information and data that is held by various entities other than the Bureau of Legislative Research and the Task Force. As such, the chosen Consultant will have to rely on those third parties to cooperate in providing this data and information. Bureau staff will be available to help facilitate the contact with these entities upon the request of the chosen Consultant and the authorization of the Task Force chairs.

Q7: Will the Governor's Office be involved in providing information or feedback regarding the tax issues facing the state?

A7: See response to Question 6.

Q8: What has the Task Force done with the report from the Tax Foundation?

A8: The report has been made available to members of the Task Force, but no action or review of the report has been conducted by the Task Force to date.

Q9: Does the Task Force expect that the consultants will also draft statutory language to accompany any recommendations?

A9: The Bureau staff will do the actual drafting of the legislation upon requests of the members of the Task Force. It is usually the job of the Consultant to review that draft legislation, analyze the impact it will have, and make suggestions regarding any possible revisions. The involvement of the Consultant in the drafting of legislation will be a determination to be made by the Task Force.

Q10: Can the consultants expect to have ready access to the Arkansas Center for Research in Economics, the division of Economic Analysis & Tax Research of the Arkansas Department of Finance and Administration, or any other relevant legislative support organizations?

A10: See response to Question 6.

Q1: Will the state or Task Force provide any statistical information or other data to the Vendor to assist in performing the consulting services?

A1: In order to perform the services, the chosen Consultant will require information and data that is held by various entities other than the Bureau of Legislative Research and the Task Force. As such, the chosen Consultant will have to rely on those third parties to cooperate in providing this data and information. Bureau staff will be available to help facilitate the contact with these entities upon the request of the chosen Consultant and the authorization of the Task Force chairs.

Q2: Per the Schedule of Events (1.2) in the RFP, the contract start date could be approximately September 15, 2017 with a preliminary report due December 1, 2017. A final report is then due on September 1, 2018. With two and one half months between the contract being awarded and a preliminary report due, what degree does the Task Force expect the preliminary report to be a full, comprehensive report? To what extent does the Task Force expect revisions to the preliminary report during the nine months between the preliminary and final reports?

A2: This will be a determination to be made by the Task Force. However, the final report will include recommendations to the full General Assembly based on the work of the Task Force over the preceding year, which will not be available at the time of the preliminary report.

Q3: As stated in the Objectives portion of the RFP (2.1), how will the Task Force and the Vendor be able to judge the “impact” of the current state tax laws to provide to the members of the Arkansas General Assembly?

A3: This will be a determination to be made by the Task Force as it proceeds with the study.

Q4: As stated in the Objectives portion of the RFP (2.1), how will the Task Force measure that it has “ensured fairness to all individuals and entities impacted by the tax laws of the State of Arkansas?”

A4: This will be a determination to be made by the Task Force as it proceeds with the study.

Q5: In the Scope of Work/Specifications section of the RFP (3.0), it mentions “assistance with draft legislation based on recommendations adopted by the Task Force.” To what extent does the Task Force expect the Vendor’s involvement in the drafting legislation to be?

A5: The Bureau of Legislative Research legal staff will do the actual drafting of the legislation upon requests of members of the Task Force. It is usually the job of the Consultant to review that draft legislation, analyze the impact it will have, and make suggestions regarding any possible revisions. The involvement of the Consultant in the drafting of legislation will be a determination to be made by the Task Force.

Q6: The RFP references “at least two samples of the Vendor’s work on comparable projects” in the Vendor’s Qualifications section (5.5). Would the Task Force accept a copy of the contract or engagement letter, or would it require actual documentation of the work performed during these projects?

A6: The request is for actual documentation of the work performed.

Q7: Can the Vendor use different descriptions for the job titles in the Official Proposal Price Sheet? For example, instead of “Supervisor” level, could the Vendor replace the title with “Partner/Director?”

A7: Yes.

Q8: Since the total hours and depth of the project are unknown at this time, can the Vendor include price per hour for each level of staff instead of a total maximum amount of bid in the Official Proposal Price Sheet?

A8: The resulting contract will have a maximum contract amount. The chosen Consultant will invoice the Bureau based on hours worked at the hourly rates set forth in the OPPS, as well as actual documented travel expenses. The Bureau will pay the invoices up to the maximum contract amount. As such, the proposal should include hourly rates as well as a maximum contract amount.

Q9: The Official Price Proposal Sheet must be submitted in the form noted in Attachment A. The table in the Official Proposal Price Sheet does include price per hour by level but does not include total hours by level. With the current format excluding the hours by level, how should the total maximum amount of bid amount be calculated?

A9: The Vendor may include attachments to the OPPS if the format of the document does not encompass all methods of pricing the Vendor wishes to express. The OPPS is a guide to ensure comparable submissions.

Q1: We expect we would attend all task force meetings, but would we need to relocate to Arkansas? Can the majority of research and written work be completed outside of Arkansas?

A1: There is no requirement to relocate to Arkansas, but attendance at the meetings of the Task Force, as well as presence in the State to meet with stakeholders, is expected of the chosen Consultant.

Q2: Is there a set schedule of future task force meetings? Is there an established number of meetings? At the DC Tax Revision Commission, we met monthly when reviewing background materials and policy options, and then weekly at the end of the process when considering the package of reforms.

A2: There is not a set schedule of meetings at this time. It is my understanding that the Task Force will meet at least monthly, with the possibility of meeting more frequently as the need arises and as determined by the chairs of the Task Force.

Q3: Does the task force plan to schedule public hearings where members of the state can testify and present ideas directly to the task force?

A3: This will be a determination to be made by the Task Force.

Q4: Is there office space available for the task force consultants? At the DC Tax Revision Commission, we benefited greatly from working in the same building as and closely with the staff of DC's Office of Revenue Analysis. We might like to work from these offices for a few days around the task force meetings.

A4: No.

Q5: What staffing will be provided by the Bureau of Legislative research (or another budget office)? Specifically, work on revenue scores, analysis of proposed policy changes, and recommended options?

A5: The Bureau will provide support and staffing to the members of the Task Force, but do not anticipate providing support services to the chosen Consultant. The Task Force expects an all-inclusive effort from its chosen Consultant, and although data needed for the work of the Consultant will be available from the Arkansas Department of Finance and Administration, the Task Force is hoping to hire a consultant in order to receive an impartial and unbiased review of the Tax system in the State of Arkansas.

Q6: Do you expect to create a website for the task force? A website would give us the opportunity to A) solicit public opinion; B) transparently share all materials and research during deliberations; and C) host the final report and archive all resources used during the task force's tenure.

A6: There has been no discussion of this by the Task Force to date.

Q7: Could we engage with outside consultants and solicit reports from other non-government organizations and researchers?

A7: It will be at the discretion of the Consultant what sources it uses for data as it assists the Task Force with its work. Please include plans to do so in your proposal.

Q8: Are there local tax bar and tax accounting associations that might be willing to provide input?

A8: I cannot speak to the availability of resources outside the legislative branch.

Q9: Tax revision commissions vary in size. We envision a project similar in scope to DC's commission, which cost roughly \$1.2 million. The funds paid for outside researchers and production of the final report in addition to staff. Do you expect the task force to produce a full report, with supporting research, or only a set of recommendations?

A9: The form that the final report takes will be a determination to be made by the Task Force. That determination has not yet been made.

Q1: Regarding the Tax Reform Consulting Services RFP, I would like to clarify that our team needs to submit 25 copies of the redacted proposal and 25 separate copies of the redacted OPPS. Can you confirm?

A1: Yes. These additional copies will be for the use of the Task Force and our staff during the evaluation process.