

REQUEST FOR PROPOSALS

PROPERTY TAX STUDY

Issued: January 11, 2008

Submission Deadline: February 20, 2008

Legislative Property Tax Study Committee
Senator Joe Bolkcom, Co-chairperson
Representative Philip L. Wise, Co-chairperson
Iowa General Assembly

Contact: Susan Crowley, Senior Legal Counsel
Legislative Services Agency
State Capitol
Des Moines, IA 50319

Request for Proposals Iowa Property Tax Study

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I. Introduction — General Information

A. Legislative Background. 2007 Iowa Acts, ch. 215 (Senate File 601) created the Legislative Property Tax Study Committee. In June 2007, the Legislative Council approved establishment of the Study Committee as created in legislation. In brief, the charge of the Study Committee is to conduct a comprehensive review of property taxation in Iowa. The legislation authorized the Study Committee to "contract with one or more tax consultants or experts familiar with the Iowa property tax system." The legislation further provides that expenditures under such a contract would be paid from moneys available to the Legislative Council.

B. Request for Proposals. The Legislative Property Tax Study Committee is submitting this Request for Proposals to obtain the services of a consultant, either an individual or a firm, with expertise in the area of property taxation to conduct a comprehensive review of Iowa's property tax system at the direction of the Study Committee and as outlined in the Scope of Services.

C. Terms Defined. For purposes of this Request for Proposals, "RFP" refers to this Request for Proposals, and "Study Committee" refers to the Legislative Property Tax Study Committee or a successor legislative committee or subcommittee designated to act on behalf of the Legislative Property Tax Study Committee.

D. RFP and Deliverables Timelines

Event	Date
RFP Issued	Friday, January 11, 2008
Deadline for Bidders to Submit Questions	4:00 p.m., Friday, February 1, 2008
Responses to Bidder Questions	Wednesday, February 13, 2008
Deadline for Bidders to Submit Proposals	4:00 p.m., Wednesday, February 20, 2008
Selection of Bidder as Potential Consultant	Friday, March 7, 2008
Execution of Contract	Monday, March 17, 2008

Deliverables	Date
Submission of First Progress Report	May 2008
First In-person Report to Study Committee	July 2008
Submission of Second Progress Report	September 2008
Submission of Final Report	November 2008
Final Report Presented In Person to Study Committee	November 2008

II. Scope of Services

The consultant shall perform the following services:

A. Study Specifics. Conduct a comprehensive property tax review which, at a minimum, will address the following:

1. Identify and review changes to the Iowa property tax system which would decrease the tax burden currently borne by commercial property without resulting in a major or direct shift in tax burden to other classes of property, and identify the fiscal impact, if any, of such changes on state and local governments.
2. Identify and review changes to the Iowa property tax system which would decrease the tax burden currently borne by commercial property and identify the fiscal impact of such changes on other classes of property.
3. Identify and review methods used by other states to make the burden of commercial property taxation comparable to the property tax burden of residential property, including but not limited to the following:
 - a. State-funded or local government-funded tax credits for commercial property.
 - b. Statutory limitations on the percentage of market/assessed value that is subject to tax, including statutory provisions that specifically

state the percentage of market/assessed value that is subject to tax.

4. Identify and review methods used by other states to value agricultural, residential, commercial, and industrial property for purposes of property taxation. Identify those states that require an income or productive earning capacity approach as the primary method of valuing all, or a specifically identified subset of, commercial or industrial property, or both, for purposes of property taxation.
5. Identify and review methods used by other states to value telecommunications property for purposes of property taxation. Compare these methods with the method employed in Iowa. The cost of providing the information requested in this component of the Scope of Services shall be indicated as a separate amount on the bid proposal.
6. Identify and review successful efforts by other states to alleviate the property tax burden through a mix of providing state support to local governments and authorizing user fees and other alternative sources of local government revenue. Evaluate possible utilization of such efforts in Iowa in light of Iowa's state and local fiscal capacity.
7. Identify and review alternative sources of local government revenue utilized by other states and the incidence and burden of each alternative source of revenue on the following:
 - a. Persons who own residential property.
 - b. Persons or entities who own property that is exempt from property taxation because the property is used for religious, educational, or charitable purposes.
 - c. Persons who do not own their residence.
 - d. Commercial and industrial businesspersons.
 - e. Persons engaged in agricultural, horticultural, or livestock production.
8. Identify the major areas or categories of local government expenditure in other states and the composition of local government revenue sources in those states. Indicate the portion of local government expenditures made in Iowa and in other states that is used or devoted to providing services to real property within the local government's jurisdiction.
9. Identify and provide a description of other states' statutes that use property taxes to provide incentives for smart growth and in-fill development or that provide disincentives for open-field or greenspace development. Evaluate the effectiveness of these statutes.

10. Examine specific changes to the property tax law and to local government laws, as submitted by the Study Committee, and determine the potential impact of the changes.
11. For each element identified, reviewed, and evaluated, the review and evaluation shall include but is not limited to potential impacts, fiscal and otherwise, on taxpayers, classes of property, state government, and local governments; options for phasing in statutory changes; advantages and disadvantages for taxpayers, state government, and local governments; analysis of short-term and long-term effects; and analysis of administrative burden. In determining fiscal impacts, the consultant shall utilize Iowa data.

B. Deliverables. The consultant shall adhere to the summary of delivery times in Part I, Paragraph D, of this RFP for the deliveries specified in this Paragraph B. The dates listed shall serve as a guideline for the consultant and may be modified and made definite by mutual agreement of the Study Committee and the consultant. The consultant shall make the following deliveries to the Study Committee:

1. A first written progress report.
2. An in-person meeting between the consultant and the Study Committee regarding the first written progress report.
3. A second written progress report.
4. Consultant's final report.
5. In-person presentation of consultant's final report.

C. Progress and Final Report Requirements

1. Form of Reports. The consultant shall submit a printed version and one uncompressed electronic version drafted in Microsoft Word® or a similar word processing program for each of the two written progress reports, in-person report presentation materials, the draft final report, the preliminary final report, and the final report that are required to be submitted to the Study Committee. If color is used in any of the reports, the color shall be used in a manner capable of being reproduced and easily read in a black and white format. It is anticipated that each report will be posted on the Iowa General Assembly's Web Site.
2. Number of Printed Copies. The consultant shall submit 25 printed copies of each of the two written progress reports, the draft final report, and the preliminary final report, and 100 printed copies of the final report.

D. Rights to Material Produced. Materials produced in whole or in part by the consultant pursuant to this study are not subject to copyright in the United States or in any other country. The Study Committee and the Iowa General

Assembly have unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any data, reports, or other materials compiled or produced pursuant to this study.

E. Release and Acceptance of Findings and Reports. The Study Committee shall be responsible for establishing requirements and restrictions regarding the release of findings and reports by the consultant and the acceptance of the findings and reports by the Study Committee.

III. General Terms, Conditions, and Limitations

A. Nonobligatory

1. **No State Obligation.** This RFP requests the submission of proposals and should not be construed as an intent, commitment, or promise by the Study Committee, the Iowa General Assembly, or the State of Iowa for the acquisition of materials or services. The Study Committee, the Iowa General Assembly, and the State of Iowa are not obligated in any way by the issuance of this RFP and the Study Committee reserves the right to reject any or all proposals in whole or in part received by reason of this RFP.
2. **No Payment Obligation.** The Study Committee, the Iowa General Assembly, and the State of Iowa will not pay for any information or services provided by any bidder, or expenses incurred by any bidder, under the terms of this RFP. The selection of a bidder means that the Study Committee will enter into good faith negotiations with the bidder with the expectation of executing a contract based on this RFP and the bidder's proposal. The Study Committee may terminate negotiations at any time and select a new bidder or issue a new RFP.

B. Fixed-price Contract. Except as otherwise provided in this RFP, or agreed to by the parties, the total price paid to a consultant must be fixed as provided in a contract executed between the parties. Special fees or expenses shall not be charged directly to the Study Committee, the Iowa General Assembly, or the State of Iowa.

C. Contract Terms and Conditions. The Study Committee may make a preliminary selection of a bidder as a prospective consultant conditioned upon the bidder's acceptance of standard terms and conditions included in the Study Committee's contracts, including but not limited to choice of law and forum, compliance with applicable state law, avoidance of conflicts of interest, subcontracting restrictions, nondiscrimination requirements, payment provisions conditioned upon delivery of reports, indemnification, compliance and termination procedures, and liquidated damages and specific performance provisions.

D. Contract Execution Deadline. The Study Committee expects that a contract will be executed between the Study Committee and the consultant not later than the date specified in Part I, Paragraph D. A bidder who desires to review a model contract should contact the Legislative Services Agency.

E. Property Rights

1. General Assembly Assumes Ownership. Proposals submitted in response to this RFP are the property of the Iowa General Assembly. The Study Committee will serve as custodian of the information. The contents of the proposal will not be considered proprietary or a trade secret. The Iowa General Assembly, the Study Committee, and the Legislative Services Agency will not act as a party in any lawsuit to protect the rights of a potential bidder, bidder, selected consultant, or the consultant or a subcontractor of the consultant.
2. Disclosure of Proposals. The laws of Iowa require that at the conclusion of the selection process all proposals be placed in the public domain and be open to inspection by interested parties.

F. Web Site. The Legislative Services Agency's Web Site is: <http://www.legis.state.ia.us>. A bidder may obtain an electronic copy of this RFP, bidder questions and responses, and other relevant information at that location.

G. Contact. The Study Committee encourages communication between the administrative staff of the Study Committee and potential bidders, including bidder questions. All communications concerning this RFP, and any bidder questions, should be addressed to:

Ms. Susan Crowley
Legislative Services Agency
State Capitol
Des Moines, Iowa 50319
Telephone: (515) 281-3430
FAX: (515) 281-8451
E-mail: susan.crowley@legis.state.ia.us

H. Interviews. The Study Committee reserves the right to personally interview a select number of potential bidders or bidders who have completed projects similar to that requested in this RFP or who otherwise demonstrate exceptional qualifications to meet the requirements of this RFP and the Study Committee's contracts.

IV. Submission of Proposals and Communication

A. Deadline. Proposals must be received in-house by the Legislative Services Agency, on behalf of the Study Committee, no later than the time and date specified in Part I, Paragraph D.

B. Filing. A bidder shall submit a completed proposal to the Legislative Services Agency as follows:

1. Electronic Version. The bidder shall submit one copy of the completed proposal in an electronic format by electronic mail to the Legislative Services Agency at the following address:
susan.crowley@legis.state.ia.us

2. Printed Version. The bidder shall deliver 20 copies of a completed proposal in a printed format to the Legislative Services Agency at the following address:

Legislative Services Agency
Response to RFP
Attention: Ms. Susan Crowley, Senior Legal Counsel
State Capitol
Des Moines, Iowa 50319

3. Fax Prohibited. The Legislative Services Agency will not accept a proposal submitted by Fax.

C. Verification. A bidder is exclusively responsible for verifying with the Study Committee the time and date that its proposal has been received by the Legislative Services Agency.

D. Incomplete Proposals. The Study Committee reserves the right to reject any proposal which is incomplete, as if it were a late submission.

E. Late Submissions. Except as otherwise provided in this paragraph, the Study Committee will not accept the late submission of a proposal. The Study Committee may extend the deadline for all potential bidders only if it finds that an extraordinary situation prevents one or more bidders from submitting timely proposals.

F. Bidder Questions or Concerns

1. Potential bidders are expected to raise questions or concerns about this RFP, including exceptions or additions, no later than the time and date specified in Part I, Paragraph D. Questions shall be submitted in writing, or in an electronic format, to the Legislative Services Agency.
2. All bidder questions and responses will be posted on the Iowa General Assembly's Web Site no later than the date specified in Part I, Paragraph D.

G. Contents

1. Objectiveness. Proposals are of primary value to the Study Committee if they address the specifications and requirements identified in this RFP in a clear and concise manner. Special bindings, colored displays, and promotional materials are discouraged.
2. Information. Proposals must include complete and accurate information as required by this RFP. Proposals should include the following:
 - a. Describe how the consultant will deal with each item outlined in the part of this RFP entitled Scope of Services.
 - b. Set forth a work plan narrative of no more than 20 pages specifying the staff, tasks to be performed, when the actual work will begin if the contract is awarded, and the completion date. A preliminary

work program should be included. The Study Committee reserves the right to approve any subcontractors employed by the consultant.

- c. Include a detailed resume, including references, and a time commitment for each professional or technical person to be assigned to the study. In employing research personnel for this study, preference shall be given to Iowa residents if qualifications are comparable. In the case of a consulting firm, the principal or manager who will serve as the director of the study must be identified.
 - d. Include final reports or work products from other projects undertaken by the personnel to be assigned to this study, with particular emphasis on projects of similar scope and effort. Include the name and telephone number of a contact person representing the person or entity for whom such projects were undertaken. It is desirable that a summary of the projects be included in the proposal. The reports or work products may be attached as an appendix to the proposal and multiple copies of these reports or products are not required to be submitted.
 - e. Include an itemized budget projecting the cost of the study.
3. Alternatives. A bidder may elect to propose an alternative to a specification, or recommendations regarding alternative methods to satisfy the purposes and objectives of this RFP. If so, the bidder must identify the alternative and explain why it is proposed.
 4. Contact Person. Bidders must designate one primary contact person, specifying a name, address, telephone number, e-mail address, and FAX number.

H. Delayed Delivery. The contract will provide for liquidated damages for delays in the delivery of the required reports as described in the part of this RFP entitled Scope of Services. The amount of the liquidated damages may be based on a percentage of the contract price.

V. Evaluation of Proposals

Proposals will be evaluated by the Study Committee, which will select the proposal deemed most advantageous. The Study Committee may utilize its administrative staff and other persons selected by the Study Committee to assist in evaluating proposals. In selecting a proposal, the Study Committee may consider each of the following factors:

A. Consultant's proposed statement of work. Emphasis will be on the grasp of the project, the soundness of approach, and the quality of recommendations for modification, if any, to the Scope of Services.

- B.** Cost. It is expected that the amount of the bid is the consultant's maximum compensation under a contract, unless otherwise agreed to by the parties.
- C.** Ability to complete the project within the specified time frame.
- D.** Background and previous experience of personnel (including consultant and subcontractors) to be assigned to the project and their demonstrated competence in the type of work each is to perform, including the quality of previous reports and work products. Special consideration will be given to consultants with a demonstrated ability to communicate in writing in clear and understandable language.
- E.** Capability to establish positive working relationships with the Study Committee, the Study Committee's partisan legislative staff, the Legislative Services Agency, and other state agencies.
- F.** Consideration will be given to management and project control, ability to commit staff within time requirements, and recent relevant performance record. The names, addresses, and telephone numbers of entities for whom the consultant has previously conducted similar studies, even if in progress, should also be included in the materials submitted.
- G.** The Study Committee may give special consideration to consultants with demonstrated expertise in property taxation and local government finance.

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