

# Request for Proposals

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City of Minneapolis  
City Coordinator's Office

**Economic Impact Evaluation of the City of Minneapolis'**

**Minimum Wage Ordinance**

RFP 2017-77 Issue Date: October 6, 2017

**Proposals Due by: Wednesday, November 22 at 12:00pm Noon**

October 6, 2017

To whom it may concern:

Attached is a Request for Proposal (RFP) for professional services to provide the City of Minneapolis with a comprehensive economic impact analysis of the City's recently adopted minimum wage increase. See [MINIMUM WAGE - Home](#) for a general overview of the ordinance and related policy; see [https://ims.minneapolismn.gov/Download/MetaData/2344/17-00723-Ord\\_Id\\_2344.pdf](https://ims.minneapolismn.gov/Download/MetaData/2344/17-00723-Ord_Id_2344.pdf) for a link to the full ordinance. In particular see §40.450 (b) which calls for annual reports beginning in 2019 about the economic and market impacts of the ordinance.

The Coordinator's Office is seeking proposals from qualified organizations to assess the economic impacts of the City's ordinance on workers, city residents, businesses, and the broader community. Suggested research questions are spelled out in the RFP. Research staff at two state agencies [the Minnesota Department of Employment and Economic Development, which administers the Unemployment Insurance program, and the Minnesota Department of Revenue, which administers the state tax system] have agreed to provide limited data and technical assistance to the project within the parameters of state data privacy laws. The City will serve as the liaison between the research firm and these two state agencies.

The City recognizes that ex-post evaluations of adopted local minimum wage laws are still a relatively recent phenomenon with a limited body of work to date. It is our hope that responders to this RFP will offer a research plan that uses the latest available methods that build on recent work, and takes advantage of the assistance being offered from the two state agencies.

The City also desires and expects that the Consultant's work will be transparent and credible to all stakeholders. This will likely require additional communications with stakeholders at appropriate milestones. To that end, the selected responder will need to work collaboratively with City staff to arrive at a mutually agreed upon communications and presentation strategy.

**Proposals are due by 12:00 Noon, Minneapolis time, November 22, 2017.** A pre-proposal conference will be held via conference call on October 26, 2017 at 3-4:30 pm CDT. Participation in the pre-proposal conference call is not mandatory but encouraged. To register and receive the call-in number and passcode contact Linda Erlandson at [linda.erlandson@minneapolismn.gov](mailto:linda.erlandson@minneapolismn.gov).

Thank you for your interest in this project.

Sincerely,

City Coordinator's Office  
City of Minneapolis

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REQUEST FOR PROPOSALS  
FOR  
**Economic Impact Evaluation of the City of  
Minneapolis' Minimum Wage Increase**

- I. INVITATION:** It is the intention of the City to solicit proposals for a comprehensive economic analysis of the City's recently adopted minimum wage increase ordinance.

The City of Minneapolis (hereinafter referred to as the City) makes this Request for Proposals (hereinafter referred to as the RFP) in order to select a qualified entity (hereinafter referred to as the Consultant) to provide economic analysis to evaluate the economic and market impacts of the City's minimum wage ordinance, adopted June 30, 2017. (hereinafter called the Project). The Project is generally described in the "Scope of Services" (Attachment B), contained within this RFP, including descriptions of roles, responsibilities and relationship of the Consultant, City, and other parties involved in the Project.

**II. PRE-PROPOSAL CONFERENCE:**

A pre-proposal conference will be held via conference call on October 26, 2017 at 3-4:30 pm CDT. Participation in the pre-proposal conference call is not mandatory but encouraged. To register and receive the call-in number and passcode contact Linda Erlandson at [linda.erlandson@minneapolismn.gov](mailto:linda.erlandson@minneapolismn.gov).

- III. PROPOSAL DUE DATE and LOCATION:** The Consultant shall submit **an electronic copy** of the proposal by email to [RFP.Responses@minneapolismn.gov](mailto:RFP.Responses@minneapolismn.gov) and **ten (10) paper copies** of their proposal to the City of Minneapolis Procurement Office, labeled:

City of Minneapolis - Procurement  
Request for Proposals for:  
Evaluation of the Minneapolis Minimum Wage Ordinance  
330 2<sup>nd</sup> Avenue South, Suite 552  
Minneapolis, MN 55401

The submittal shall be made at or before **12:00 Noon (Minneapolis Time), November 22, 2017.**  
**NOTE: Late Proposals may not be accepted.**

- IV. PROPOSAL FORMAT:** The Consultant shall provide the appropriate information in sufficient detail to demonstrate that the evaluation criteria has been satisfied as specified in Section V – "EVALUATION OF PROPOSALS".

To allow for easier comparison of proposals during evaluation, proposals should contain the following sections and appendices and be arranged in consecutive order.

1. **Executive Summary** - The Executive Summary should include a clear statement of the Consultant's understanding of the RFP including a brief summary of the Scope of Work. Include, at a minimum, an outline of the contents of the proposal, an identification of the

proposed project team, a description of the responsibilities of the project team, and a summary of the proposed services. Please include a short description and/or graphic representation of the economic causation model that the proposal will be using, with particular attention to how the intended methodology isolates the unique impact of the local minimum wage ordinance compared to other regional and national factors . If the proposal will be using a ‘differences in differences’ approach, please specify the comparison, or ‘control’ geography to be used.

2. **Scope of Services** – See Attachment B for key questions and deliverables and timeline.
3. **Experience and Capacity** - Describe background and related research experience demonstrating ability to provide the required services. Provide examples of previous related research, if available. Indicate if company expansion is required to provide service.
4. **References** - List client references with contact information from any similar research reports similar in size and scope.
5. **Personnel Listing** - Show involved individuals with resumes and specific applicable experience. Indicate name[s] of principal researcher[s]. Sub-consultants should also be listed, including the identification of any that are certified in the City of Minneapolis Small & Underutilized Business Program.
6. **Cost/Fees** - Indicate proposed cost of service including a description of how costs were determined; hourly rates; direct costs, overhead charges\* and payment billing schedule; list of charges per classification of employee or sub-contractor; cost breakdown for each deliverable as described in Attachment B. Please provide separate cost estimates for the “Phase 1” time period and “Phase 2” time period as defined in Attachment B, as well as a combined cost proposal for both phases.  
\*Note: overhead charges in excess of 10% will disqualify the proposal
7. **Leveraging Non-City Resources** - The cost of the Project is likely to exceed the available resources provided by the City. Accordingly, proposers are requested to:
  - Identify any funds or in-kind services to be leveraged in conjunction with City funds
  - Identify any outside funding the Consultant is willing to pursue.

**V. EVALUATION OF PROPOSALS – SELECTION OF CONSULTANT:** Proposals will be reviewed by an Evaluation Panel made up of representatives of the City of Minneapolis’ City Coordinator Office, Finance and Property Services, and Community Planning and Economic Development, and other City, state agency, or other outside assistance as they might require. The Evaluation Panel may select a "short list" of qualified Consultants who will be formally interviewed as part of the final selection, as deemed necessary by the City. Evaluations will be based on the required criteria listed in Section IV “PROPOSAL FORMAT”, and the following:

- A. Quality, thoroughness, and clarity of proposal.
- B. Qualifications and experience of staff (includes a review of references).
- C. How well the Scope of Services offered meets department objectives.
- D. Financial responsibility and capacity of company including whether or not the company, any affiliates, subsidiaries, officers or directors have filed for federal bankruptcy protection within seven years of the date of this RFP.

- E. Organization, management, and stakeholder communication approach and involvement for a successful project.
- F. Small & Underutilized Business participation.
- G. Cost of services proposed.
- H. Insurance coverage as defined for the services.

A formal Presentation/Interview will be requested of the “short list” Consultant/s. Specifically, the City requests that the Consultant’s Project Manager assigned to the proposed project team lead the Presentation and that actual members of the project team (including any sub-consultants) participate in the formal presentation/interview, either in person or via telephone.

The Presentation/Interview of the “short listed” Consultant’s will consist of the following elements:

1. Discussion of the Consultant’s approach to providing services for this Project based upon the Scope of Services described herein.
2. Overview of the Consultant’s experience as related to the Scope of Services, including qualifications and experience of assigned staff.
3. Review of the consultant’s ability and willingness to augment City resources to support the project.

The Evaluation Panel will schedule and arrange for the presentations.

**VI. SCHEDULE:** The following is a listing of key Proposal and Project milestones:

RFP Release	Friday, October 6, 2017
Pre-Proposal Conference Call	Thursday, October 26, 2017
Questions on RFP Due by	Tuesday, October 31, 2017
Responses to Questions posted by	Tuesday, November 7, 2017
Proposals due by	<b>12:00pm Noon, November 22, 2017</b>
Estimated Consultant selection	Mid-December 2017
Estimated services start date [Phase 1]	January 1, 2018
Estimated services end date [Phase 1]	December 31, 2021
Estimated services start date [Phase 2]	January 1, 2022
Estimated services end date [Phase 2]	December 31, 2025

**VII. CONTRACT:** The contracting parties will be the City of Minneapolis and the Consultant selected to provide the services as described herein. The selected proposal, along with the RFP and any counter proposal will be incorporated into a formal agreement after negotiations. It is the intent of the City to award a single contract for a term of four (4) years with the option to extend the contract, at the sole option of the City, for four (4) additional years.

**VIII. DEPARTMENT CONTACT/REQUESTS FOR CLARIFICATION:** The Consultant’s primary interface with the City will be with the Contract Manager who will act as the City’s designated representative for the Project. Prospective responders shall direct inquiries/questions

*in writing only* to:

Contract Manager: Jeff Schneider  
City Coordinator's Office  
301 M City Hall  
Minneapolis, MN 55415  
[Jeff.schneider@minneapolismn.gov](mailto:Jeff.schneider@minneapolismn.gov)

These questions may include clarifications about the data and analysis to be provided by our state agency partners [MN Department of Employment and Economic Development and the MN Department of Revenue]. The Contract Manager will be the conduit for those questions.

All questions are due no later than 4 pm, Tuesday, October 31, 2017. Responses to the Questions will be posted by Tuesday, November 7 on City's RFP website at:  
<http://www.minneapolismn.gov/finance/procurement/rfp>

The Contract Manager is the only person who can be contacted regarding the Project before proposals are submitted. The Contract Manager cannot vary the terms of the RFP.

- IX. REJECTION OF PROPOSALS:** The City reserves the right to reject all proposals or any Consultant on the basis of the proposal submitted.
- X. ADDENDUM TO THE RFP:** If any addendum is issued for this RFP, it will be posted on the City of Minneapolis web site at: <http://www.minneapolismn.gov/finance/procurement/rfp>  
The City reserves the right to cancel or amend the RFP at any time.

# **ATTACHMENT A**

## **General Conditions for Request For Proposals (RFP)**

(Revised: Dec, 2015)

The General Conditions are terms and conditions that the City expects all of its Consultants to meet. The Consultant agrees to be bound by these requirements unless otherwise noted in the Proposal. The Consultant may suggest alternative language to any section at the time it submits its response to this RFP. Some negotiation is possible to accommodate the Consultant's suggestions.

### **1. City's Rights**

The City reserves the right to reject any or all proposals or parts of proposals, to accept part or all of proposals on the basis of considerations other than lowest cost, and to create a project of lesser or greater expense and reimbursement than described in the Request for Proposal, or the respondent's reply based on the component prices submitted.

### **2. Equal Opportunity Statement**

The Consultant agrees to comply with applicable provisions of applicable federal, state and city regulations, statutes and ordinances pertaining to the civil rights and non-discrimination in the application for and employment of applicants, employees, subcontractors and suppliers of the Consultant. Among the federal, state and city statutes and ordinances to which the Consultant shall be subject under the terms of this Contract include, without limitation, Minnesota Statutes, section 181.59 and Chapter 363A, Minneapolis Code of Ordinances Chapter 139, 42 U.S.C Section 2000e, et. seq. (Title VII of the Civil Rights Act of 1964), 29 U.S.C Sections 621-624 (the Age Discrimination in Employment Act), 42 U.S.C Sections 12101-12213 (the Americans with Disability Act or ADA), 29 U.S.C Section 206(d) (the Equal Pay Act), 8 U.S.C Section 1324 (the Immigration Reform and Control Act of 1986) and all regulations and policies promulgated to enforce these laws. The Consultant shall have submitted and had an "affirmative action plan" approved by the City prior to entering into a Contract.

### **3. Insurance**

Insurance secured by the Consultant shall be issued by insurance companies acceptable to the City and admitted in Minnesota. The insurance specified may be in a policy or policies of insurance, primary or excess. Such insurance shall be in force on the date of execution of the Contract and shall remain continuously in force for the duration of the Contract.

Acceptance of the insurance by the City shall not relieve, limit or decrease the liability of the Consultant. Any policy deductibles or retention shall be the responsibility of the Consultant. The Consultant shall control any special or unusual hazards and be responsible for any damages that result from those hazards. The City does not represent that the insurance requirements are sufficient to protect the Consultant's interest or provide adequate coverage. Evidence of coverage is to be provided on a current ACORD Form. A thirty (30) day written notice is required if the policy is canceled, not renewed or materially changed. The Consultant shall require any of its subcontractors, if sub-contracting is allowable under this Contract, to comply with these provisions, or the Consultant will assume full liability of the subcontractors.

The Consultant and its subcontractors shall secure and maintain the following insurance:

- a) **Workers Compensation** insurance that meets the statutory obligations with Coverage B-Employers Liability limits of at least \$100,000 each accident, \$500,000 disease - policy limit and \$100,000 disease each employee.
- b) **Commercial General Liability** insurance with limits of at least \$2,000,000 general aggregate, \$2,000,000 products - completed operations \$2,000,000 personal and advertising injury, \$100,000 each occurrence fire damage and \$10,000 medical expense any one person. The policy shall be on an "occurrence" basis, shall include contractual liability coverage and the City shall be named an additional insured. The amount of coverage will be automatically increased if the project amount is expected to exceed \$2,000,000 or involves potentially high risk activity.
- c) **Commercial Automobile Liability** insurance covering all owned, non-owned and hired automobiles with limits of at least \$1,000,000 per accident.
- d) **Professional Liability** Insurance or Errors & Omissions Insurance providing coverage for 1) the claims that arise from the errors or omissions of the Consultant or its subcontractors and 2) the negligence or failure to render a professional service by the Consultant or its subcontractors. The insurance policy should provide coverage in the amount of \$2,000,000 each claim and \$2,000,000 annual aggregate. The insurance policy must provide the protection stated for two years after completion of the work.
- e) **Network Security and Privacy Liability** for the duration of this agreement providing coverage for, but not limited to, Technology and Internet Errors & Omissions, Security and Privacy Liability, and Media Liability. Insurance will provide coverage against claims that arise from the disclosure of private information from files including but not limited to: 1) Intentional, fraudulent or criminal acts of the Consultant, its agents or employees. 2) Breach of the City's private data, whether electronic or otherwise. The insurance policy should provide minimum coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If written on a Claims-Made basis, the policy must remain in continuous effect for at least 3 years after the service is provided or include a 3 year extended reporting period.

#### 4. **Hold Harmless**

The Consultant will defend, indemnify and hold harmless the City and its officers and employees from all liabilities, claims, damages, costs, judgments, lawsuits and expenses, including court costs and reasonable attorney's fees regardless of the Consultant's insurance coverage, arising directly from any negligent act or omission of the Consultant, its employees, agents, by any sub-contractor or sub-consultant, and by any employees of the sub-contractors and sub-consultants of the Consultant, in the performance of work and delivery of services provided by or through this Contract or by reason of the failure of the Consultant to perform, in any respect, any of its obligations under this Contract.

The City will defend, indemnify and hold harmless the Consultant and its employees from all liabilities, claims, damages, costs, judgments, lawsuits and expenses including court costs and reasonable attorney's fees arising directly from the negligent acts and omissions of the City by reason of the failure of the City to perform its obligations under this Contract. The provisions of the Minnesota Statutes, Chapter 466 shall apply to any tort claims brought against the City as a result of this Contract.

Except as provided in the section titled Data Practices, neither party will be responsible for or be required to defend any consequential, indirect or punitive damage claims brought against the other party.

**5. Subcontracting**

The Consultant shall provide written notice to the City and obtain the City's authorization to subcontract any work or services to be provided to the City pursuant to this Contract. As required by Minnesota Statutes, Section 471.425, the Consultant shall pay all subcontractors for subcontractor's undisputed, completed work, within ten (10) days after the Consultant has received payment from the City.

**6. Assignment or Transfer of Interest**

The Consultant shall not assign any interest in the Contract, and shall not transfer any interest in the same either by assignment or novation without the prior written approval of the City. The Consultant shall not subcontract any services under this Contract without prior written approval of the City Department Contract Manager designated herein.

**7. General Compliance**

The Consultant agrees to comply with all applicable Federal, State and local laws and regulations governing funds provided under the Contract.

**8. Performance Monitoring**

The City will monitor the performance of the Consultant against goals and performance standards required herein. Substandard performance as determined by the City will constitute non-compliance with this Contract. If action to correct such substandard performance is not taken by the Consultant within a reasonable period of time to cure such substantial performance after being notified by the City, Contract termination procedures will be initiated. All work submitted by Consultant shall be subject to the approval and acceptance by the City Department Contract Manager designated herein. The City Department Contract Manager designated herein shall review each portion of the work when certified as complete and submitted by the Consultant and shall inform the Consultant of any apparent deficiencies, defects, or incomplete work, at any stage of the project.

**9. Prior Uncured Defaults**

Pursuant to Section 18.115 of the City's Code of Ordinances, the City may not contract with persons or entities that have defaulted under a previous contract or agreement with the City and have failed to cure the default.

**10. Independent Consultant**

Nothing contained in this Contract is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Consultant shall at all times remain an independent Consultant with respect to the work and/or services to be performed under this Contract. Any and all employees of Consultant or other persons engaged in the performance of any work or services required by Consultant under this Contract shall be

considered employees or subcontractors of the Consultant only and not of the City; and any and all claims that might arise, including Worker's Compensation claims under the Worker's Compensation Act of the State of Minnesota or any other state, on behalf of said employees or other persons while so engaged in any of the work or services to be rendered or provided herein, shall be the sole obligation and responsibility of the Consultant.

#### **11. Accounting Standards**

The Consultant agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices (GAAP) to properly account for expenses incurred under this Contract.

#### **12. Retention of Records**

The Consultant shall retain all records pertinent to expenditures incurred under this Contract in a legible form for a period of six years commencing after the later of contract close-out or resolution of all audit findings. Records for non-expendable property acquired with funds under this Contract shall be retained for six years after final disposition of such property.

#### **13. Data Practices**

The Consultant agrees to comply with the Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) and all other applicable state and federal laws relating to data privacy or confidentiality. The Consultant and any of the Consultant's sub-consultants or sub-contractors retained to provide services under this Contract shall comply with the Act and be subject to penalties for non-compliance as though they were a "governmental entity." The Consultant must immediately report to the City any requests from third parties for information relating to this Contract. The City agrees to promptly respond to inquiries from the Consultant concerning data requests. The Consultant agrees to hold the City, its officers, and employees harmless from any claims resulting from the Consultant's unlawful disclosure or use of data protected under state and federal laws.

All Proposals shall be treated as non-public information until the Proposals are opened for review by the City. At that time, the names of the responders become public data. All other data is private or non-public until the City has completed negotiating the Contract with the selected Consultant(s). At that time, the proposals and their contents become public data under the provisions of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 and as such are open for public review.

#### **14. Inspection of Records**

Pursuant to Minnesota Statutes, Section 16C.05, all Consultant payroll and expense records with respect to any matters covered by this Contract shall be made available to the City and the State of Minnesota, Office of the State Auditor, or their designees upon notice, at any time during normal business hours, as often as the City deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

#### **15. Living Wage Ordinance**

The Consultant may be required to comply with the “[Minneapolis Living Wage and Responsible Public Spending Ordinance](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert_255695.pdf)” ([http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert\\_255695.pdf](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert_255695.pdf)), Chapter 38 of the City’s Code of Ordinances (the “Ordinance”). Unless otherwise exempt from the ordinance as provided in Section 38.40 (c), any City contract for services valued at \$100,000 or more or any City financial assistance or subsidy valued at \$100,000 or more will be subject to the Ordinance’s requirement that the Consultant and its subcontractors pay their employees a “living wage” as defined and provided for in the Ordinance.

## **16. Applicable Law**

The laws of the State of Minnesota shall govern all interpretations of this Contract, and the appropriate venue and jurisdiction for any litigation which may arise hereunder will be in those courts located within the County of Hennepin, State of Minnesota, regardless of the place of business, residence or incorporation of the Consultant.

## **17. Conflict and Priority**

In the event that a conflict is found between provisions in this Contract, the Consultant's Proposal or the City's Request for Proposals, the provisions in the following rank order shall take precedence: 1) Contract; 2) Proposal; and last 3) Request for Proposals (only for Contracts awarded using RFP).

## **18. Travel**

If travel by the Consultant is allowable and approved for this Contract, then Consultant travel expenses shall be reimbursed in accordance with the City’s [Consultant Travel Reimbursement Conditions](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/wcms1p-096175.pdf) (<http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/wcms1p-096175.pdf>).

## **19. Billboard Advertising**

City Code of Ordinance 544.120, prohibits the use of City and City-derived funds to pay for billboard advertising as a part of a City project or undertaking.

## **20. Conflict of Interest/Code of Ethics**

Pursuant to Section 15.250 of the City’s Code of Ordinances, both the City and the Consultant are required to comply with the City’s Code of Ethics. Chapter 15 of the Code of Ordinances requires City officials and the Consultant to avoid any situation that may give rise to a “conflict of interest.” A “conflict of interest” will arise if Consultant represents any other party or other client whose interests are adverse to the interests of the City.

As it applies to the Consultant, the City’s Code of Ethics will also apply to the Consultant in its role as an “interested person” since Consultant has a direct financial interest in this Agreement. The City’s Code of Ethics prevents “interested persons” from giving certain gifts to employees and elected officials.

## **21. Termination, Default and Remedies**

The City may cancel this Contract for any reason without cause upon thirty (30) days' written notice. Both the City and the Consultant may terminate this Contract upon sixty (60) days' written notice if either party fails to fulfill its obligations under the Contract in a proper and timely manner, or otherwise violates the terms of this Contract. The non-defaulting party shall have the right to terminate this Contract, if the default has not been cured after ten (10) days' written notice or such other reasonable time period to cure the default has been provided. If termination shall be without cause, the City shall pay Consultant all compensation earned to the date of termination. If the termination shall be for breach of this Contract by Consultant, the City shall pay Consultant all compensation earned prior to the date of termination minus any damages and costs incurred by the City as a result of the breach. If the Contract is canceled or terminated, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the Consultant under this Contract shall, at the option of the City, become the property of the City, and the Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

Notwithstanding the above, the Consultant shall not be relieved of liability to the City for damages sustained by the City as a result of any breach of this Contract by the Consultant. The City may, in such event, withhold payments due to the Consultant for the purpose of set-off until such time as the exact amount of damages due to the City is determined. The rights or remedies provided for herein shall not limit the City, in case of any default by the Consultant, from asserting any other right or remedy allowed by law, equity, or by statute. The Consultant has not waived any rights or defenses in seeking any amounts withheld by the City or any damages due the Consultant.

## **22. Ownership of Materials**

All finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials resulting from this Contract shall become the property of the City upon the City's payment for and final approval of the final report or upon payment and request by the City at any time before then. The City at its own risk, may use, extend, or enlarge any document produced under this Contract without the consent, permission of, or further compensation to the Consultant.

## **23. Intellectual Property**

All Work produced by the Consultant under this Contract is classified as "work for hire" and upon payment by the City to the Consultant will be the exclusive property of the City and will be surrendered to the City immediately upon completion, expiration, or cancellation of this Contract. "Work" covered includes all reports, notes, studies, photographs, designs, drawings, specifications, materials, tapes or other media and any databases established to store or retain the Work. The Consultant may retain a copy of the work for its files in order to engage in future consultation with the City and to satisfy professional records retention standards. The Consultant represents and warrants that the Work does not and will not infringe upon any intellectual property rights of other persons or entities.

Each party acknowledges and agrees that each party is the sole and exclusive owner of all right, title, and interest in and to its services, products, software, source and object code, specifications, designs, techniques, concepts, improvements, discoveries and inventions including all intellectual property rights thereto, including without limitations any modifications, improvements, or derivative works thereof, created prior to, or independently, during the terms of this Contract. This Contract does not affect the ownership of each party's pre-existing, intellectual property. Each party further

acknowledges that it acquires no rights under this Contract to the other party's pre-existing intellectual property, other than any limited right explicitly granted in this Contract.

#### **24. Equal Benefits Ordinance**

Minneapolis Code of Ordinances, Section 18.200, relating to equal benefits for domestic partners, applies to each Consultant and subcontractor with 21 or more employees that enters into a "contract", as defined by the ordinance that exceeds \$100,000. The categories to which the ordinance applies are personal services; the sale or purchase of supplies, materials, equipment or the rental thereof; and the construction, alteration, repair or maintenance of personal property. The categories to which the ordinance does not apply include real property and development contracts.

Please be aware that if a "contract", as defined by the ordinance, initially does not exceed \$100,000, but is later modified so the Contract does exceed \$100,000, the ordinance will then apply to the Contract. A complete text of the ordinance is available at:

[http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert\\_261694.pdf](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert_261694.pdf)

It is the Consultant's and subcontractor's responsibility to review and understand the requirements and applicability of this ordinance.

#### **25. City Ownership and Use of Data**

The City has adopted an Open Data Policy ("Policy"). The City owns all Data Sets as part of its compliance with this Policy. Data Sets means statistical or factual information: (a) contained in structural data sets; and (b) regularly created or maintained by or on behalf of the City or a City department which supports or contributes to the delivery of services, programs, and functions. The City shall not only retain ownership of all City Data Sets, but also all information or data created through the City's use of the software and /or software applications licensed by the Consultant (or any subcontractor of sub-consultant of the Consultant) to the City.

The City shall also retain the right to publish all data, information and Data Sets independently of this Contract with the Consultant and any of Consultant's subcontractors or sub-consultants involved in providing the Services, using whatever means the City deems appropriate.

The City shall have the right to access all data, regardless of which party created the content and for whatever purpose it was created. The Consultant shall provide bulk extracts that meet the public release criteria for use in and within an open data solution. The Consultant shall permit and allow free access to City information and Data Sets by using a method that is automatic and repeatable. The Data Sets shall permit classification at the field level in order to exclude certain data.

#### **26. Audit Requirements for Cloud-Based Storage of City Data**

If the Consultant's services include the storage of City data using a cloud based solution, then the Consultant agrees to secure the data as though it were "private data" as defined in Minnesota Statutes, Chapter 13. The Consultant shall provide the City with the annual copy of the Federal Standards for the Statement on Standards for Attestation Engagements (SSAE) No. 16 or the International Standard on Assurance Engagements (ISAE) No. 3402. The Consultant agrees to provide a .pdf copy to the City's Contract Manager, upon the Consultant's receipt of the audit results.

## **27. Small & Underutilized Business Program (SUBP) Requirements**

The City of Minneapolis policy is to provide equal opportunities to all businesses, with an effort to redress discrimination in the City's marketplace and in public contracting against Minority-Owned Business Enterprises (MBEs) and Women-Owned Business Enterprises (WBEs). The SUBP requirements detailed in the Minneapolis Code of Ordinances Chapter 423.50 applies to any professional or technical Service contract in excess of \$100,000. SUBP goals are set on contracts based on project scope, subcontracting opportunities and availability of qualified MBEs/WBEs.

There are no SUBP goals on this RFP. However, if there are subcontracting opportunities later identified, Consultant shall inform the Contract Manager to obtain authorization as stated under the section titled "Subcontracting" of the Terms and Conditions. Consultant shall take action to afford MBEs and WBEs full and fair opportunities to compete on this contract and resulting subcontracts. To locate certified MBEs and WBEs under the Minnesota Uniform Certification Program (MnUCP), please visit <http://mnucp.metc.state.mn.us/> or contact [contractcompliance@minneapolismn.gov](mailto:contractcompliance@minneapolismn.gov).

# ATTACHMENT B

## SCOPE OF SERVICES

It is the intent of this attachment to outline a general description of the Project, the extent of services required, and the relationship of this Project to other work, and the agencies or other parties that will interact with the Consultant. The contents of this document are considered representative of the Project as a whole, but are by no means conclusive.

Following a [2016 ex-ante \[projected impact\] study](#) by the Roy Wilkins Center at the University of Minnesota, [further research and analysis by city staff](#), and a five month public comment period, the Minneapolis City Council adopted a minimum wage ordinance on June 30, 2017. See [MINIMUM WAGE - Home](#) for a summary of this work, and see [https://lims.minneapolismn.gov/Download/MetaData/2344/17-00723-Ord\\_Id\\_2344.pdf](https://lims.minneapolismn.gov/Download/MetaData/2344/17-00723-Ord_Id_2344.pdf) for a link to the final ordinance.

As noted in the cover letter, the City is interested in assessing the impact of the minimum wage ordinance on workers and businesses in Minneapolis, city residents, the city enterprise, and the community as a whole. As reference, § 40.050 of the ordinance calls for annual reports beginning in 1<sup>st</sup> Q 2019:

**“§40.450. – Annual report**

(b) Beginning in 2019, and each year thereafter, the city coordinator, in collaboration with the department of community planning and economic development and the finance department, shall provide by March 31st a written report to the appropriate committee of the city council regarding the economic and market impacts of this article on the local economy. The report shall include economic data regarding jobs, earnings, and rates of business openings and closings.”

### **I. State Agency Assistance**

As noted in the cover letter, research staff at the Labor Market Information Office at the MN Department of Employment and Economic Development [which runs the UI system] and at the MN Department of Revenue [which runs the state tax system] are willing to provide limited data and technical assistance to the Project within the parameters of state data privacy laws. The City will serve as the liaison between the research firm and these two state agencies. Research staff from these agencies will be available on the October 26 conference call to respond to questions about available data sets and formats.

### **II. Key Questions**

The staff team has formulated the following key questions:

1. What is the impact on workers in Minneapolis: change in hourly wages earned, change in hours worked, net change in wage income, job loss, loss in public benefits due to higher income, etc. Sorts by industry, age and race if possible.
2. What is the impact on businesses in Minneapolis: changes in payroll costs, total hours paid, gross

revenue; changes in business model to accommodate higher hourly labor costs [including restaurants]; changes in hiring practices; impact on prices, profits; estimate of business closures or relocations due to this change.

3. What is the broader impact on customers of Minneapolis businesses: increased prices, changes in consumer behavior, including any avoidance of city businesses due to higher cost, etc.

### III. Deliverables

In addition to the annual impact reports beginning in 2019, the City has determined that it would be useful to have a ‘baseline’ report in 2018, using 2014 - 2017 as the baseline period. This period is chosen because 2014 was the first of three annual increases in the statewide minimum wage. See <http://www.dli.mn.gov/LS/minwage.asp> for background on the state minimum wage statutes. Given the annual schedule of relevant data from the two partner state agencies [which typically has a 6 month lag], this initial baseline report will be due by July 1, 2018. Subsequent annual ‘impact’ reports will be due by October 1<sup>st</sup> annually, beginning in 2019. The schedule of annual reports will therefore be:

#### Phase 1

I.	Baseline Report	covering 2014 - 2017	due July 1, 2018
II.	Year 1 Report	covering 2018 wage increases	due October 1, 2019
III.	Year 2 report	covering 2019 wage increase	due October 1, 2020
IV.	Year 3 report	covering 2020 wage increase	due October 1, 2021

#### Phase 2

V.	Year 4 report	covering 2021 wage increase	due October 1, 2022
VI.	Year 5 report	covering 2022 wage increase	due October 1, 2023
VII.	Year 6 report	covering 2023 wage increase	due October 1, 2024
VIII.	Year 7 report	covering 2024 wage increase	due October 1, 2025

The initial contract period will be for “Phase 1” covering the first four reports; Phase 2 will cover the second 4 reports. The City reserves the right to either extend the contract with the successful “Phase 1” Consultant at the quoted price, or to re-open the Phase 2 project to new proposals via a new RFP.

#### A. Baseline Report [2014-2017]

Using 2014-2017 as the baseline period, this initial report is intended to describe the City’s ‘pre-increase’ economic status and trends for workers, businesses, residents, and the community generally. We would expect to see measures such as the following included in this report, although additional measures may be warranted. Given the constraints of data availability and cost, the proposal should identify the Consultant’s views about the relevant importance of these measures, which measures the proposal will commit to include, and any additional key measures missing from the list. It is further requested that the Consultant discuss how it plans to isolate the unique impact of the local minimum wage ordinance on these metrics, compared to other regional and national factors.

1. Total Employment [# of jobs] in Minneapolis, region, and state and for selected industry sectors
2. Unemployment Rate in Minneapolis, region, state
3. Total and average UI ‘covered’ wages in Minneapolis, 7 county region, and state
4. Estimate of number of workers in Minneapolis currently earning below the scheduled 2018 minimum wage rates, by industry sector, business size [large vs. small as defined in ordinance], and

- race. Special emphasis should be given to low-wage sectors such as retail, restaurants, and non-hospital health care [replicate NAICS codes from 2016 U of M study]
5. Number of businesses in Minneapolis, by industry sector, by size of business [number of employees], and ownership status of business [i.e. minority, immigrant and female owned businesses]. Include both single site and multi-site businesses.
  6. Gross sales by industry sector, business size, and ownership status [i.e. minority, immigrant and female owned businesses]
  7. Turnover rates for low wage employees, by industry sector
  8. Some kind of baseline metric on aggregate personal consumption by Minneapolis workers, and residents
  9. Some kind of baseline metric about the allocation of restaurants across full service, limited service, and other relevant levels of service
  10. Some initial surveys of workers and businesses and consumers– see note on surveys under “Other”, p. 19

## **B. “Annual Impact Reports” – due annually by October 1 per schedule above**

This and subsequent years’ reports should address the following questions:

### **i) Impact on Workers**

Potential measures include:

1. Change in employment/unemployment levels among different classes of workers [by wage cohort, race, age]
2. Number of workers receiving a wage increase, either directly, or via a ripple [wage compression] effect
  - a. By industry [esp. restaurants, retail, and non-hospital health care]
  - b. By gender and race and age [if possible]
  - c. By residence of worker [i.e. live in Minneapolis vs. live outside Minneapolis]
  - d. By wage cohort [with focus on low wage workers]
  - e. Segregate impact on workers previously earning ‘below’ the new wage, plus the ‘ripple’ or ‘wage compression’ impact on workers within \$2-3 of the new minimum wage
3. Estimate change in total hours worked, by industry sector, business size, ownership status
  - a. Estimate of the extent to which worker hours or benefits have been reduced to offset the costs of providing the minimum wage
  - b. Estimate the number of job losses or gains, by industry sector, by wage cohort [with focus on low wage workers], and by worker residence [within or outside of Minneapolis]
4. Estimate “commuter effects”, i.e. the level of presumed increase in non-resident worker population and its impact on displacing low-wage city residents
5. Estimate any loss in public benefits to workers due to wage increase [e.g. SNAP, EITC, TANF [MFIP in MN], etc.]
6. Estimate any change in worker turnover rates, for low wage workers, by industry sector
7. Estimate change in purchasing power of employees

## **ii) Impact on Businesses**

For all businesses, by industry sector, business size, and ownership status [i.e. minority, immigrant and female owned businesses]

Potential measures include:

8. Change in gross taxable sales
9. Change in total payroll costs
10. Change in total jobs [measured by hours worked]
  - a. If available, include any change in hours worked by contractors to see if companies are reducing employees but adding contractors.
11. Number and percentage rate of business openings, expansions, relocations outside Minneapolis, and closures
12. Estimate of the additional administrative costs associated with complying with the ordinance.
13. Estimate any increases in automation, by industry sector.
14. Estimate the amount of change in restaurant service models, i.e. from full service to limited service
15. The analysis should consider doing deeper dives into three sectors heavily dependent on low wage workers as identified in the 2016 University of Minnesota prospective study cited above:
  - a. Restaurants
  - b. Retail
  - c. Non-hospital health care

## **iii) Impact on Consumers**

Potential measures include:

16. Prices
17. Consumer spending and behavior

## **iv) Other**

18. Surveys/interviews with selected workers, businesses and consumers: depending on costs, it may be useful to survey a limited numbers of low wage workers, selected businesses and consumers to obtain qualitative ‘on the ground’ information to accompany the quantitative analysis. We are seeking the Consultant’s recommendations as to the importance, methods, and costs of including such information in the study.
19. How does the Consultant propose to isolate and allocate the 3 main categories of sources that support wage increases:
  - a. Consumers, via higher prices
  - b. Workers, via reduced hours
  - c. Business owners,
    - i. via automation and/or change in service model [restaurants]

- ii. lower profits
    - iii. via relocations to outside of Minneapolis
    - iv. via closures
  - d. Any residual

20. Other relevant metrics as recommended by the Consultant