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October 17, 2017

TO: PROSPECTIVE ECONOMIC FORECASTING CONSULTANTS

The North Dakota Legislative Management is seeking proposals for consultant services for economic forecasting data. The Legislative Management has assigned the responsibility to study state revenues and state revenue forecasts to its interim Legislative Revenue Advisory Committee, Senator Ray Holmberg, Chairman. Your organization is invited to submit a proposal for providing consulting services by Tuesday, November 21, 2017.

The selection of the consultant will be made by the Legislative Revenue Advisory Committee subject to approval by the Chairman of the Legislative Management.

As assigned by the Legislative Management, the Legislative Revenue Advisory Committee's study of state revenues and state revenue forecasts includes receiving information regarding revenue forecasts and economic activity for the purpose of developing the state's biennial revenue forecast (see the attached [background memorandum](#)). The information provided by the consultant during the 2018-19 time period will be used for updating the 2017-19 biennium revenue forecast and developing the 2019-21 biennium revenue forecast. The information provided by the consultant must include the following:

1. General economic forecasting data related to the national economy, including:
 - a. Projected interest rates through calendar year 2021;
 - b. Projected West Texas Intermediate oil prices through calendar year 2021;
 - c. Recent trends and projections in the value of the US Dollar;
 - d. An outlook for major economic sectors through calendar year 2021 (short-term outlook);
 - e. An outlook for major economic sectors through calendar year 2025 (long-term outlook); and
 - f. Upside and downside risks to the national economy;
2. Detailed economic forecasting data specific to North Dakota's economy, including:
 - a. Recent trends in the state's major economic sectors or major industries since calendar year 2013;
 - b. Key economic assumptions, in particular, those assumptions related to the oil and gas industry and the agriculture industry;
 - c. Changes in the state's tax bases, reflecting actual and forecasted values by fiscal year or tax year as applicable to the tax type for the years 2013 through 2025, for the following:

- (1) Taxable sales and purchases, including new farm machinery sales;
- (2) Motor vehicle sales;
- (3) Total personal income, including farm and nonfarm income; and
- (4) Corporate income;

NOTE: Historical data for the state's tax bases will be provided to the consultant. The forecasted values should reflect a low scenario, a high scenario, and a most likely scenario.

- d. Projected agriculture-related commodity prices and production values through calendar year 2021;
 - e. Projected North Dakota oil production levels through calendar year 2021;
 - f. Projected population changes through calendar year 2021;
 - g. Projected trends in job prospects or job demand through calendar year 2021; and
 - h. Upside and downside risks to North Dakota's economy;
3. A qualitative analysis of general economic conditions and demographic trends related to the national economy, the Midwestern regional economy, and North Dakota's economy; and
 4. Disclosure of the limitations of the organization's economic model and the risks related to forecasting error associated with the organization's economic forecasting data.

The resulting contract will require periodic reports to the Legislative Revenue Advisory Committee and the Appropriations Committees of the 66th Legislative Assembly regarding economic forecasting data with a report due by Friday, September 28, 2018, and a report due by Friday, January 18, 2019. The economic forecasting data and reports must be available in an electronic format. The resulting contract may also include an option to request updated economic forecasting data in March 2019.

The proposal should include the following:

1. Information on the primary individuals who would provide the economic forecasting data, including educational and employment experiences, and the organization's experience with economic forecasting;
2. Representative samples of economic forecasting data previously prepared by the organization and a comparison of the forecasted data to actual results;
3. References for previous services providing economic forecasting; and
4. The proposed contract amounts, which should be inclusive of all expenses and which should separately identify the amount associated with the option to provide economic forecasting data in March 2019.

The Legislative Management intends to award the contract based on the information contained within the proposals received as well as information received from other sources. The Legislative Management reserves the right to accept or reject any or all proposals and to award a contract which the Legislative Management considers the most advantageous to the state. Consultants under contract for the state should be able to obtain lodging in the state at the rate provided by law for state government officials and employees (\$83.70 per night plus state and local taxes, effective October 1, 2017).

If you are interested in submitting a proposal for providing these services, please submit your proposal to the Legislative Council office at the address below by Tuesday, November 21, 2017. The committee plans to meet on Tuesday, December 5, 2017, at the State Capitol, Bismarck, North Dakota, to hear formal presentations from consultants submitting proposals chosen for final consideration.

The Legislative Council is the point of contact for this request for proposal (RFP). All consultant communications regarding this RFP should be directed to the Legislative Council, as follows:

Email Correspondence

Legislative Council - Allen H. Knudson, Legislative Budget Analyst and Auditor

Email: aknudson@nd.gov

Legislative Council - Adam Mathiak, Fiscal Analyst

Email: amathiak@nd.gov

Postal Correspondence

Legislative Council

State Capitol

600 East Boulevard Avenue

Bismarck, ND 58505-0360

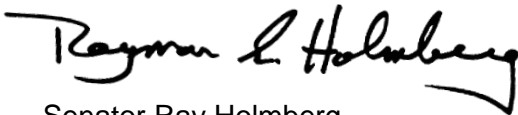
Telephone and Fax Correspondence

Telephone: 701-328-2916

Fax: 701-328-3615

The RFP, any amendments to the RFP, and all questions submitted with responses will be posted on the legislature's website at (<http://www.legis.nd.gov/news/rfp-prospective-economic-forecasting-consultants>). Interested consultants are encouraged to check that website periodically for any updates related to this RFP.

Sincerely,



Senator Ray Holmberg

Chairman

RH/BM

Enc.