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September 3, 2019

## 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 Friday, November 8, 2019.

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 will be used for updating the 2019-21 biennium revenue forecast and developing the 2021-23 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 2023;
  - b. Projected West Texas Intermediate oil prices though calendar year 2023;
  - c. Recent trends and projections in the value of the US Dollar;
  - d. An outlook for major economic sectors through calendar year 2023 (short-term outlook);
  - e. An outlook for major economic sectors through calendar year 2027 (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 2015;
  - b. Key economic assumptions, in particular, those assumptions related to the oil and gas industry and the agriculture industry;
  - c. State tax collections, reflecting actual and forecasted amounts by fiscal year for the years 2015 through 2027, for the following:
    - (1) Sales and use tax collections;

- (2) Motor vehicle excise tax collections;
- (3) Individual income tax collections; and
- (4) Corporate income tax collections;

**NOTE:** Historical data for the state's tax collections will be provided to the consultant. The forecasted amounts 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 2023;
  - e. Projected North Dakota oil production levels through calendar year 2023;
  - f. Projected population changes through calendar year 2023;
  - g. Projected trends in job prospects or job demand through calendar year 2023; 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 updates to the Legislative Revenue Advisory Committee and the Appropriations Committees of the 67<sup>th</sup> Legislative Assembly. Three written reports reflecting the economic forecasting data, including the outlook for the national economy, projected West Texas Intermediate oil prices, the state's forecasted tax collections, and other economic factors, must be submitted to the committees, with the first report due by Friday, September 25, 2020, and the second report due by Friday, January 15, 2021, and the third report due by Friday, March 19, 2021. The economic forecasting data and reports must be available in an electronic format. In addition, the resulting contract will require the consultant to present the reports in person to the committee at the State Capitol in Bismarck and to answer questions about the economic forecasting data.

The proposal should include the following:

1. Information on the primary individuals who will 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 amount should be inclusive of all expenses; however, indirect costs are not allowed.

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 (\$84.60 per night plus state and local taxes, effective as of July 1, 2019).

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 Friday, November 8, 2019. The committee plans to meet on Tuesday, December 17, 2019, 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](mailto:aknudson@nd.gov)

Legislative Council - Adam Mathiak, Senior Fiscal Analyst

Email: [amathiak@nd.gov](mailto: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,



Representative Chet Pollert

Chairman

CP/BM

Enc.