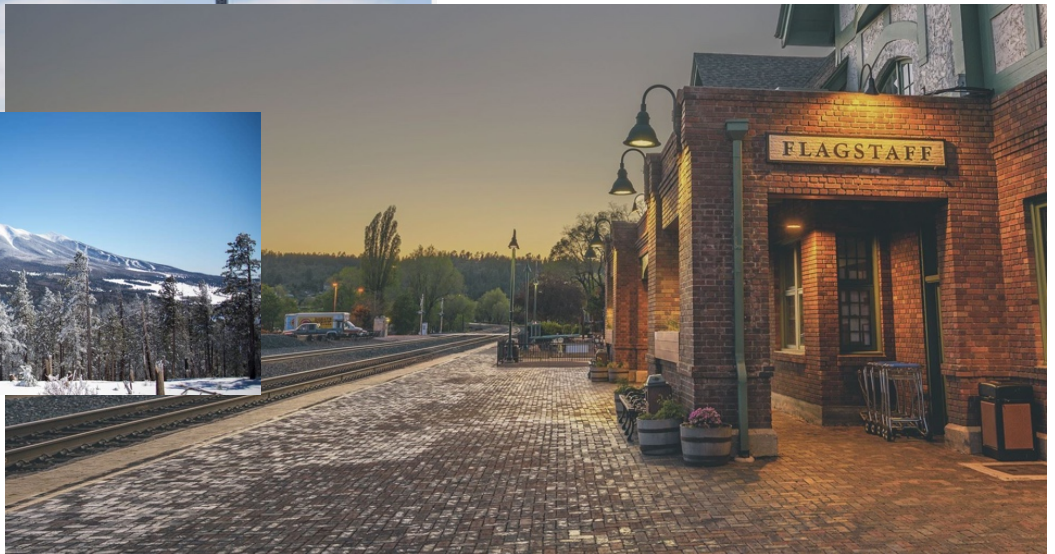
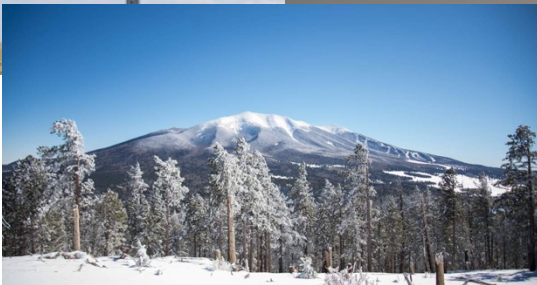
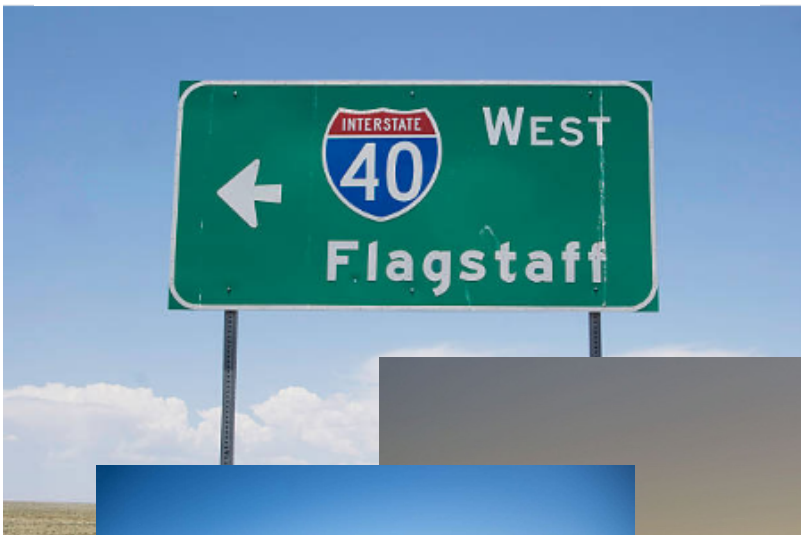


Proposal for:

The City of Flagstaff

Solicitation For: Minimum Wage Study
Solicitation Number: 2020-16



Submitted by:



Rounds Consulting Group, Inc.
Economic and Policy Analysis

51 W. 3rd Street, Suite E-110
Tempe, AZ 85281
www.roundsconsulting.com



Date: September 13, 2019

To: Rick Compau
City of Flagstaff

From: Rounds Consulting Group, Inc.

Re: RFP 2020-16 Minimum Wage Study

Dear Mr. Compau:

On behalf of Rounds Consulting Group, Inc. (RCG), I would like to express our gratitude for the opportunity to submit this proposal to the City of Flagstaff (City) to analyze the current and future economic impacts of the City's minimum wage increases, and to equip the City and local businesses with mitigation strategies.

For perspective on our firm's experience, RCG advises both public and private sector entities on matters of economics and policy development. Although RCG was recently founded in 2015 (4+ years), company principals have over 30 years of experience providing economic development, market research, impact studies, and policy advising for scores of communities and organization throughout Arizona.

To better equip the City with specific best practice recommendations to support local businesses, organizations, and government entities as they navigate minimum wage increases, RCG has enlisted Michelle Kauk (strategic partner of RCG) as part of our proposing team. Michelle, President of MODE Public Affairs, specializes in public affairs/relations, communication services, strategic planning, and economic/policy development.

The specific details on our team's experience, proposed approach, key personnel, estimated timeline, and costs are summarized in the enclosed documents. Please contact me directly at 602-739-0844 with any questions. We appreciate the opportunity to submit this proposal and look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Rounds', is written over a light blue horizontal line.

Jim Rounds, President
Rounds Consulting Group, Inc.



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Section 1: Experience and Qualifications

1.1 Firm & Experience Overview

As noted in the solicitation, the primary objectives of this analysis are to capture the current and projected impacts of the City of Flagstaff’s (City) incremental minimum wage increases, and provide a “toolkit” to help local businesses and the City to mitigate effects. Rounds Consulting Group, Inc. (RCG) has teamed up with Michelle Kauk (President of MODE Public Affairs) to provide this comprehensive analysis.

RCG is comprised of leading economists and analysts with over 30 years experience providing economic research, policy advising, and impact studies throughout Arizona and the U.S. This includes everything from the most comprehensive analyses related to proposed statewide legislations and how they impact the local economy to highly specialized analyses related to business location efforts.

RCG routinely monitors economic, real estate, and community development trends, and has decades of experience summarizing this information to provide the proper storytelling and interpretation. Michelle Kauk specializes in public affairs/relations, media and communication services, strategic planning, and policy development.

This breadth of knowledge and connectivity between economic and policy groups is matched by no other consultants and allows our team to stay informed on matters that affect the crossover between public policy and economics.

To assure timely and efficient delivery of services, our team is comprised of Jim Rounds (President of RCG), Michelle Kauk (President of MODE Public Affairs), Luis Cordova (Vice President of RCG), and Brandtly Thornton (Senior Economist at RCG). If needed, additional research and data gathering will be conducted through support staff at RCG.

Descriptions of select assignments with references related to this solicitation follow.

Impact of Minimum Wage Increases

Goldwater Institute – 2018

RCG partnered with the Goldwater Institute to analyze the unintended consequences of minimum wage increases as a result of Prop 206 passing in November of 2016 and its impact on programs that support the developmentally disabled. Under Prop 206, Arizona’s minimum wage increased to \$10 per hour in 2017 and will continue increasing until reaching \$12 per hour in 2020; and increase each year by the cost of living thereafter. As a result, employees earning below the new minimum wage received pay adjustments while those earning at the threshold or just above received marginal increases. This created economic imbalances, disenfranchised employees, reduced quality of services, and imposed a cost to the state (i.e., a taxpayer burden).

Findings were based on a case study conducted on a sample set of 2,300 workers and extrapolated into the larger population. The review ultimately led to the state increasing the appropriation to the minimum wage contractors that work with the developmentally disable. This was equal parts economics and public policy. A similar qualitative and quantitative analysis will be useful in Flagstaff.



Reference:

Victor Riches, President & CEO
Goldwater Institute
500 E. Coronado Road
Phoenix, AZ 85004
Phone: 602-462-5000
Email: vriches@goldwaterinstitute.org

Impact of Growing Arizona's High-Tech Workforce Arizona Chamber Foundation - 2019

RCG was contracted by the Arizona Chamber Foundation to provide an extensive analysis of Arizona's high-tech workforce. Arizona and the Greater Phoenix area are on the cusp of being a top tier destination for technology-based businesses to locate and expand. RCG analyzed both the state and local-region's competitiveness, economic health, workforce, incomes, and population growth to measure how the local economies compared to competing regions and identify opportunities for advancements.

This included a deeper dive into the Phoenix Metro Area's high-tech workforce that focused on opportunities for wage advancement by formulating policies that focus on quality job creation. For example, opportunities exist for employees to move up the career ladder within their current occupational category and for workers to shift from lower paying occupations to higher paying occupations. Both of these further enhance the economic growth and quality of a region.

RCG then analyzed the impacts of attracting and maintaining a higher skilled and higher paid workforce. Economic impact models were created to monetize these impacts. RCG also created an economic model that estimated impacts resulting from changes in workers' wages.

Reference:

Glenn Hamer, CEO
Arizona Chamber of Commerce and Industry
3200 N Central Ave #1125
Phoenix, AZ 85012
Phone: 602-248-9172
Email: ghamer@azchamber.com

Comprehensive Economic Development Strategy 2020-2025 NACOG - 2019

RGC was contracted by the Northern Arizona Council of Governments (NACOG) to perform a comprehensive economic development strategy analysis for the NACOG Economic Development District (EDD). The EDD consists of Apache, Coconino, Navajo, and Yavapai Counties. This analysis included a complete economic profile, and an analysis of strengths, weaknesses, opportunities and threats of each county. This analysis was then used to create a strategic economic development plan focused on increasing wages, quality of life and economic sustainability in the region. In order to provide a more in-depth and comprehensive plan and analysis, RCG partnered with Michelle Kaulk, president of MODE Public Affairs (MODE) on this project. Through extensive outreach with NACOG personnel, and county and tribal leaders, Michelle identified specific economic focus industries that are poised for growth with the help of economic development programs recommended in the analysis.

Utilizing the results of the analysis from RGC and outreach from MODE, policy recommendations were developed with the goal of incentivizing the existing workforce to obtain higher skills or more education



and certifications in order to move into a higher wage bracket. RGC then created economic impact models monetizing the impacts the successful implementation of these recommendations in varying degrees would have in the economies for each county and the entire NACOG EDD region.

Reference:

Teri Drew, Director
Northern Arizona Council of Governments
119 E Aspen Ave
Flagstaff, AZ 86001
Phone: 928-778-1422
Email: tdrew@NACOG.org

1.2 Additional Experience

For years, RCG staff have been proving economic research and public policy advising for various private- and public-sector organizations. The following is a partial list of our recent local and nationwide clients:

- Arizona Chamber Foundation
- Arizona Department of Housing
- Arizona Governor’s Budget Office
- Arizona Office of Economic Opportunity
- City of Mesa
- Downtown Phoenix Inc.
- Goldwater Institute
- City of Flagstaff
- Greater Phoenix Chamber of Commerce
- Greater Phoenix Economic Council
- Lennar
- League of Arizona Cities and Towns
- Maricopa Association of Governments
- Pinal County
- W. P. Carey School of Business
- El Dorado Holdings

The following are additional projects that RCG has been involved in:

Miscellaneous Research Analyses

Various Private and Public Organizations – 2015-2019

Since 2015, RCG has conducted various in-depth research analyses for both private and public entities throughout Arizona. Studies have been conducted for residential developers (such as Lennar, El Dorado Holdings, and KB Homes), commercial developers (such as Vestar and True North), municipalities (such as the Town of Chino Valley and City of Maricopa), and numerous government agencies (such as the Arizona Department of Housing, Arizona Office of Economic Opportunity, and the Sedona Fire District). These studies have included retail demand studies, housing affordability studies, housing market analyses, state program evaluations, regulatory impact analyses, and various other research assignments.

Economic Forecasting and Strategic Planning

Maricopa County – 2015-2019

Jim Rounds was the principal economist related to the development of Maricopa County’s comprehensive effort to blend revenue forecasting, budgeting, and strategic policy development. This effort allowed Maricopa County to evaluate not only budget priorities for the following year, but also evaluate how strategic priorities would impact tax policies and budgeting through the end of the decade. As a result, the County is one of few government entities that is prepared for the next economic downturn, but still efficiently and responsibly provides services to its citizens. RCG continues to provide forecasting services and reviews for Maricopa County.



Impact of Water Shortages on Economic Development Central Arizona Project (CAP) – 2016-2017

RCG was retained by CAP to conduct in-depth research into and analyze the impact of potential water shortages during the next several years. Three independent scenarios were modeled to identify the potential scale of impacts on the state if water supply issues begin to impact business development. Each impact scenario quantified the potential for losses in the state’s economic output, jobs, and incomes.

Economic and Fiscal Impact Analyses Various Private and Public Organizations – 2015-2019

RCG has developed numerous economic and fiscal impact models and analyses related to potential business locations, residential and commercial developments, foreign trade zone developments, infrastructure improvements, tourism exercises, growth scenarios, and other activities for various private and public sector organizations (list of select organizations follows). These analyses were produced to quantify potential economic and fiscal impacts on regional and local economies. The detailed fiscal impacts measured the value of and assisted with return on investment evaluations. Additionally, the analyses identified amounts of revenues that could be new versus redirected from the surrounding areas.

RCG has been completing in-house impact studies since inception in 2015, but RCG staff have over 25 years of experience developing economic analyses nationwide. The following is a list of select organizations for whom RCG has provided impact studies:

- APS
- AZ Chamber of Commerce
- AZ Hispanic Chamber of Commerce
- AZ Hospital & Healthcare Association
- City of Buckeye
- City of Chandler
- City of Phoenix
- City of Tempe
- City of Scottsdale
- Dignity Health
- Discover Long Island (New York)
- Greater Phoenix Economic Council (GPEC)
- Lennar
- Maricopa County
- Town of Gilbert
- Town of Florence

Downtown Phoenix Development Impact and Feasibility Study Downtown Phoenix Inc. – 2018

Downtown Phoenix Inc. (DPI) retained RCG to assess the economic and fiscal impacts associated with downtown Phoenix and DPI’s development efforts in the downtown area. The study analyzed two main drivers of economic activity in the downtown area. The first was related to the year-round operations of downtown businesses and downtown residents. The second considered the economic activity generated by visitors and tourism spending at the area’s entertainment venues such as Talking Stick Resort Arena, Chase Field, and the Phoenix Convention Center. To complete the analysis, several economic and fiscal impact models were created for major categories of developments such as retail, office, government, education, science/technology, and multi-family housing. Impacts were estimated in terms of output, jobs, and wages. The economic activity was then converted into tax revenue collections for the City of Phoenix, Maricopa County, and the state of Arizona.

1.3 Additional References

Following is a list of references for whom RCG provides similar services:



1. John Arnold, Executive Director
Arizona Board of Regents (ABOR)

Phone: 602-229-2505
Email: john.arnold@azregents.edu

Currently, RCG is under contract with ABOR, on an ongoing basis, to provide economic and policy research. RCG is also working with ABOR and the state's universities to research and calculate the impact of higher education and increases in education attainment.

2. David McIntire, Community Investment Director
City of Flagstaff

Phone: 928-213-2907
Email: dmcintire@flagstaffaz.gov

RCG was retained by the City of Flagstaff to identify the impact of specific groups on the City's sales tax revenues. Tasks for the assignment included a review of historic sales tax collections, the regions demographics, and the area's consumer spending. To complete the analysis, several estimates were made for the amount of taxable spending made by local businesses, households living within Flagstaff city limits, households living in the surrounding rural areas, the indigenous population, students, and visitors.



Section 2: Project Personnel Assigned to the Project

2.1 Key Personnel Resumes and Roles

For the purpose of this comprehensive study, RCG will primarily utilize Jim Rounds, Michelle Kauk, Luis Cordova, and Brandtly Thornton. If needed, additional research and data gathering will be conducted through support staff at RCG. Roles and responsibilities of each key personnel follows:

- Jim Rounds, RCG President, will serve as the primary contact, oversee the quality of work, and lead the study's research, modeling, and public policy development efforts.
- Michelle Kauk, President of MODE Public Affairs, will lead the team's effort in regard to public outreach, advise on strategic planning, and advise on policy development.
- Luis Cordova, Vice President of RCG, will provide research and data collection, assist with forecasting and policy development, and conduct economic modeling.
- Brandtly Thornton, RCG Senior Economist, and will provide research, data collection, and economic modeling support.

Resumes for the team's key personnel follow:

- Jim Rounds, President & Chief Economist (at RCG since inception in 2015)

Jim Rounds, President of RCG, regularly provides advice to policymakers at the State Capitol, mayors throughout the state as well as city council members, county board members, and other public and private sector leaders in the community. He has delivered hundreds of economic presentations and is quoted weekly on television, radio, and in printed media. Jim is also a Senior Fellow at the Goldwater Institute.

Areas of recent study include state tax policy and economic development reform, K12 and higher education funding, health care economics, State Trust Land disposition, GPLET agreements, pension reform, transportation and utility infrastructure investment, and state and local area tourism planning.

Mr. Rounds volunteers much of his spare time as an advocate for quality public policy development. Recently, Jim has been supporting the concept of "growing from within," which includes efforts to better understand small business development issues, and strategic investment in education and workforce training.

Jim is on the Board of Directors of the Maricopa County Industrial Development Authority, and is a member of the Joint Legislative Budget Committee's Finance Advisory Committee, the Maricopa Association of Governments' Economic Development Committee, the Arizona Economic Roundtable, and has served on scores of committees and task force efforts at both the state and local levels. Jim also serves as an advisor and consultant for multiple economic development and taxpayer watchdog organizations such as the Goldwater Institute and Arizona Tax Research Association.



Previously, Mr. Rounds was a Senior Economist and Senior Budget Analyst with the Arizona Joint Legislative Budget Committee, served as Senior Vice President at Elliott D. Pollack & Company, and has been engaged in policy related economics for more than two decades. Jim has a Bachelor of Science degree and a Master of Science degree in Economics from Arizona State University.

Range of Experience:

- Completed scores of analyses for public sector entities related to maximizing the return on investment for economic development projects, public infrastructure investment, tourism marketing, and various sports related efforts.
 - Analyzed the implications of minimum wage increases and how they affect business owners, employees, and taxpayers.
 - Forecasts public sector tax revenues for cities, counties, and organizations to allow for efficient planning of economic development programs, infrastructure investment, and basic operational needs. As an example: examined tourism funding efficiency for the State of Arizona in an effort to identify appropriate marketing funds for maximizing the return on investment and restore funding for the agency.
 - Advises public sector organizations (MAG, GPCC, GPEC, etc.) on individual efforts including workforce development, transportation funding, economic development/tourism marketing projects, and general coordination between organizations and municipalities.
 - Authored the “Jobs Report for the State of Arizona” that identified new economic development tools for use in growing the local economies. Drafted the initial legislation that was significantly enacted the following year.
 - Authored “Growing an Economy with Strategic Infrastructure Planning” for the Arizona Commerce Authority and the Office of the Governor that quantified the potential impact from strategic highway investment, advised on related policy matters, and outlined cooperative approaches for a positive return on investment.
 - Delivered hundreds of economic development and fiscal planning presentations to communities throughout the state.
- Michelle Kauk, President of MODE Public Affairs (RCG strategic partner since 2018)
With more than 15 years of public affairs experience, Michelle Kauk has worked at the local, state and federal levels of government, in addition to the private sector and non-profit space, specializing in strategic public relations, media and communications campaigns; crisis communications; campaign communications; coalition building; message development; strategic management of legislative agendas; and public policy issues.

Throughout her career in Arizona, she has served as an executive with the Greater Phoenix Economic Council as the Senior Vice President of Communications & Public Affairs, and worked for the Town of Gilbert, and the Office of Senator John McCain – in both the Washington DC and Phoenix offices.



Michelle also worked as the Director of Government Affairs and Research for a niche insurance company in Connecticut, HAI Group, which provides insurance and other special programs for public and affordable housing authorities.

Michelle currently serves on the board of directors for Gilbert Leadership, and is a Class XVIII graduate. She also spends her time with the Banner Health Foundation Pulse of the City Soiree committee, and the ASU School of Public Affairs Advisory Council and the Make-a-Wish Arizona Wishmaker's Council. Michelle is also a Flinn-Brown Fellow.

- Luis Cordova, Vice President and Senior Economist (at RCG since inception in 2015)

Luis Cordova is Vice President of Rounds Consulting Group. Mr. Cordova is an expert in multiple areas of economic, real estate and public policy research, and has analyzed topics ranging from small business development to statewide highway planning and financing. Luis has over 5 years experience providing economic, demographic and revenue forecasting for Arizona counties and cities; cost-benefit analyses and economic and fiscal impact analyses for both the public and private sectors; market and feasibility studies including detailed demographic analysis; litigation support research; and multiple aspects of community planning.

Luis is the company specialist in economic and fiscal impact modeling. Mr. Cordova has over 5 years of experience developing economic and fiscal impact analyses related to ongoing business operations, potential business locations, residential and commercial developments, GPLET projects, tourism activities, foreign trade zone developments, infrastructure improvements, and other activities for various national, state, and local private- and public-sector organizations.

Additionally, Mr. Cordova years of experience developing forecasting models and manages the firm's database and data collection efforts. Luis was raised in Southern Arizona, is fluent in Spanish, and is leading the office's efforts related to strategic planning, policy development, and infrastructure investment in Southern Arizona and Sonora, Mexico.

Prior to his employment at Rounds Consulting Group, Mr. Cordova served as an economist at Elliott D. Pollack & Company. Luis has a Bachelor of Science degree in Economics from Arizona State University. Additionally, Luis is certified by the Arizona Association for Economic Development as an Arizona Economic Development Pro. Mr. Cordova is also a contributing panelist on the JPMorgan Chase Economic Outlook Center's Western Blue Chip Forecasts, which provide economic forecasts for Arizona and Greater Phoenix, and is a content committee member for the Arizona Hispanic Chamber of Commerce's DATOS: The State of Arizona's Hispanic Market report.

Range of Experience:

- Prepared scores of economic and fiscal impact analyses of new and existing businesses; planned projects; proposed housing, mixed-up and foreign trade zone developments; and infrastructure improvements, among other activities. These analyses were developed to quantify potential impacts on regional and local economies, and assist with return on



- investment evaluations for both public and private sector clients. Organization include statewide organization like APS, GPCC, and CAP to municipalities like the Cities of Scottsdale, Tempe, and Chandler.
- Conducted extensive data collection and research assignments into infrastructure investments; impacts of minimum wage increases; public policy; economic, demographic, and housing statistics; workforce development matters; the state's target industries; and numerous other economic and policy topics for organization like Arizona Department of Housing, MAG, PAG, and OEO.
 - Collected and analyzed economic, demographic, real estate and trends information for inclusion in economic reports. In addition to data collection, reviews have been provided to better illustrate economic conditions and trends. Reviews have included local data and perspective on single family, housing, multi-family housing, office, retail, and industrial construction, occupancy, and absorption rates from various commercial brokers and other sources.
 - Provided significant support and prepared numerous forecasting studies. These assignments have included projections of future tax revenues, demand for future goods and services, population and housing trends, and job market opportunities, among others. This has
 - included in-depth use of the 2016 MAG employment, population, and land use projections at the TAZ level.
 - Developed numerous cost-benefit analyses of existing and proposed businesses and housing communities to assist local governments and economic development organizations determine if an investment is feasible and calculate if the benefits outweigh the costs, and by how much.
 - Prepared various retail market analyses to measure any surplus/leakage, indicate how well the retail needs of local residents are met, identify possible opportunities, and determine future needs based on projected growth.
 - Managed and developed internal and client databases of national, state, county and local economic, demographic, real estate, and projection information. Sources of data include: the U.S. Census Bureau, U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, Arizona Office of Economic Opportunity (OEO; formerly Arizona Department of Administration), Arizona Department of Revenue, and the University of Arizona Forecasting Project, among others.
- Brandtly Thornton, Senior Economist and Policy Analyst (at RCG since 2019)

Brandtly Thornton is a Senior Economist and Policy Analyst at Rounds Consulting Group. Mr. Thornton has expertise in data analysis and economic modeling; statistical and econometric theory; and behavioral economics. Recent experience includes regression analysis of residential home prices at the state, county and zip code levels and consumer behavior forecasting in response to changing market incentives. Additionally, Brandtly has expertise in coding in multiple programming languages and assists in constructing the economic models used for the firm's



analysis and consulting projects. As a Senior Economist, Brandtly also assists in maintaining the firm databases and conducts routine data collection to ensure updated and accurate data is used when producing economic forecasts.

Prior to joining Rounds Consulting Group, Brandtly worked in the financial services industry as a corporate actions analyst for Northern Trust and as a Sales Manager for Vivint Inc. Born in Spokane, Washington, Brandtly moved across the United States before returning to Spokane to finish high school and embark as a missionary for 2 years in Paraguay, becoming fluent in Spanish. Upon returning home Brandtly attended Brigham Young University in Provo, Utah, earning a Bachelor of Science degree in Economics.



Section 3: Presented Approach

3.1 Proposed Approach

RCG is proposing the following scope, approach, and timeline. To summarize, RCG is proposing a three phased analysis. The initial phase (Phase I) will include a comprehensive review of available information to fulfill the required list of measurements (as listed in the solicitation) and provide additional recommended measurements to supplement the analysis.

The second phase (Phase II) will use the information gathered in Phase I to examine the current and future impacts resulting from the minimum wage increase. This will include an evaluation of the implications of continued minimum wage increases, indexed with changes in CPI, as called for by Proposition 414. Additionally, a series of case studies focused on cities that have a higher minimum wage than their state will also be conducted in Phase II.

Phase III of the analysis will provide best practice recommendations for local businesses, organizations, and governments to mitigate current and future impacts of minimum wage increases, and include potential policy recommendations to promote economic growth.

The following highlights the specific approaches of Phases I-III. However, our proposed approach and highlighted points can be restructured and refined to better suit the needs of the City, if needed.

Phase I: Primary Research

RCG will conduct extensive research and interviews to collect the primary information needed to conduct the Minimum Wage Study in Phase I. This will include a comprehensive review of available information from national, state, and local sources. For additional insight, RCG will conduct interviews with State and City staff to identify data availability and utilize qualitative information when quantitative data is limited. This will also involve an evaluation of sources and data to measure reliability. All research and data collection will be summarized to formulate facts and uncover trends.

RCG's approach to research goes beyond the collection of data and information. After the appropriate information is collected, a comprehensive explanation of the information will be provided to properly describe what the information is indicating. *This "story" allows for proper insight and highlights any issues that should be addressed.* This is also how one can increase awareness of minimum wage impacts and bridge the discussions between public officials, employers, the general public, and other stakeholders.

The following bullet points highlight the specific approach and tasks of Phase I.

Task 1: Identification of baseline (2011 – 2016) and current (2017 – 2019) measurements.

- Collect information on the City's economic status including trends for businesses, workers, and the community as a whole.
 - Information will be gathered and reviewed for the following, but not limited to, measurements: unemployment rates (by age groups), job availability, average earnings of



- minimum and non-minimum wage workers, average hours worked, turnover rates, consumers spending and price of goods, cost of living, employee sick hours, number of enterprises by size (including any state-subsidized enterprises), and business construction investment, among others.
- Identification of additional measurements that should be considered to increase understanding of the impacts of the City's minimum wage increases.
 - Identify any data deficiencies and discuss possible alternatives with the City.
 - Solicit feedback from City to refine measurements and research.

Phase II: Analysis of Current and Future Impacts

All previous research and data points will be utilized to provide information on the existing and future impacts of Flagstaff's incremental minimum wage increases on businesses, workers, the City, and the City's general economic health.

The following bullet points highlight the specific approach and tasks of Phase II.

Task 2: Analyze baseline (2011 – 2016) and current (2017 – 2019) measurements to examine current impacts.

- Analysis of the City's pre-increase (baseline) economic status v. its current economic status.
 - A number of control groups will be identified to make the proper "apples to apples" comparison to evaluate the real impact of the minimum wage increase in Flagstaff.
 - Analyses will include a review of changes in predetermined measurements in Flagstaff as compared to changes in control groups.
 - As an example, the State of Arizona will be used as one control group to compare how the State's overall economic measurements have changed compared to Flagstaff's over the same time period.
 - Measurements will include changes in: unemployment rates, job availability, earnings, hours worked, consumer prices and consumer spending, cost of living, loss of public benefits due to wage increases, and increases in any automation within business, among others.
 - A number of individual business cases (sampling of local businesses) are also suggested to evaluate the true impacts of the increases on local businesses from the baseline to now.

Task 3: Analyze projected future impacts.

- Examine the expected future economic impacts of the continued minimum wage increases.
 - Evaluate the impacts of continued increases, indexed with changes in CPI, occurring in 2023 as called for by Proposition 414.
 - Analyses will include a comparison of Flagstaff's 2026 economic indicators in the case of continued minimum wage increases indexed with CPI (as stipulated by Prop 414) v. maintaining the current (2019) minimum wage.
 - The following indicators with and without post 2019 minimum wage increases will be examined: unemployment rates, turnover rates, job availability, number of small to medium businesses, earnings, consumer spending, price of goods, cost of living, and commercial investments, among others.



Task 4: Case Studies

- A series of short case studies focused on cities around the U.S. that have implemented a higher minimum wage than their state will be conducted.
 - The number of identified cities will depend on data availability and relevance.
 - Findings will be evaluated and summarized to provide narrative on the unique circumstances these cities experienced and their respective impacts.
 - Factors that will be considered are impacts on unemployment rates, earnings, job availability, cost of living, etc.

Phase III: Best Practice and Policy Recommendations

Phase III of the analysis will provide best practice and policy development recommendations for local businesses, organizations, and governments impacted by increased minimum wages with potential solutions. A “toolkit” filled with techniques and methods designed to mitigate the effects of increases minimum wages will be provided for different stakeholders including businesses and local governments.

The following bullet points highlight the specific approach and tasks of Phase III.

Task 5: Provide a best practices toolkit for Flagstaff stakeholders effected by minimum wage increases.

- Analyze best practices implemented by for- and non-profit businesses, organizations, governments, and municipalities in other cities effected by minimum wage increases.
- Evaluate the tools have been used in other cities to mitigate impacts of minimum wage increases.
- Research the efforts other cities have implemented to support local businesses effected by minimum wage increases.
- Provide potential best practices for local businesses and organization to mitigate impacts from minimum wage increases.
- Suggest a course of action for the City of Flagstaff to mitigate minimum wage increases and support local businesses/organizations.
- Provide potential best practices and policy recommendations to promote economic growth.

3.2 Proposed Timeline

Unless the timeline is revised at the request of the City, RCG is proposing to follow the project timeline as listed in the solicitation and provide the list of deliverables by the agreed upon dates. A detailed timeline by phase and task is illustrated below.



Project Timeline																
Month	Oct. 2019		Nov. 2019				Dec. 2019				Jan. 2019				Feb. 2019	
Week	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2
Phase I: Primary Research																
Kickoff meeting																
Task 1: Initial research																
1 st Progress meeting																
Phase II: Analysis of Current and Future Impacts																
Task 2: Analyze current impact																
Task 3: Analyze future impacts																
Task 4: Case Studies																
2 nd Progress meeting																
Phase III: Best Practice and Policy Recommendations																
Task 5: Best practices toolkit																
Submit draft written report																
Submit draft toolkit																
3 rd Progress meeting																
Report Finalizing																
City feedback																
Submit final report																
Submit final toolkit																
City acceptance																



Section 4: Proposed Fee

4.1 Proposed Fee

The cost to complete the three phased analysis is a lump sum fee of \$65,000. Possible data set purchases may be required (but not likely) to meet the required economic measurements/indicators. Such expenses will be purchased on behalf of the City and billed to the City. However, prior approval will be requested before incurring such expenses.



Section 5: City Forms

Completed forms follow.

CONTRACTOR QUESTIONNAIRE (FORM)

Contractor:

Company Name: Rounds Consulting Group, Inc.

Doing Business As (if different than above): _____

Address: 51 W. 3rd Street, Suite E-110

City: Tempe State: Arizona Zip: 85281 -

Phone: 480-508-4911 Fax: N/A

E-Mail Address: rounds@roundsconsulting.com
cordova@roundsconsulting.com Website: www.roundsconsulting.com

Taxpayer Identification Number: 47-5589171

Mailing Address (if different than above):

Address: _____

City: _____ State: _____ Zip: _____ -

Contractor Contact for Questions about Proposal:

Name: Jim Rounds or Luis Cordova Fax: N/A

Phone: 602-739-0844 or 602-849-0632 E-Mail Address: rounds@roundsconsulting.com or
cordova@roundsconsulting.com

Transaction Privilege (Sales)Tax/Use Tax Information (check one):

Contractor is located outside Arizona (The City will pay use tax directly to the AZ Dept of Revenue)

OR

Contractor is located in Arizona (The Contractor must invoice the applicable state and local tax to City, and remit taxes.)

Arizona Department of Revenue TPT License Number: N/A
(Attach proof of registration)

Business License Information (check one):

Contractor does not have a business location within the City of Flagstaff

OR

_____ Contractor has a business location (uses a building) within the City of Flagstaff

Flagstaff TPT/Business License Number: _____

Other Licenses (list any existing licenses you have required for work, e.g. Arizona Registrar of Contractor licenses, and attach copies):

EXCEPTIONS (FORM)

Notations. Any strikeouts, notes or modifications to the Solicitation documents shall be initialed in ink by the authorized person who signs the Proposal. If notations are made, they must be submitted with your Proposal and are considered Exceptions.

Exceptions: In addition to any notations on the Solicitation documents, please identify and list any exceptions to the Solicitation, by section/paragraph, on this Exceptions Form. The City reserves the right to reject, accept or further negotiate Exceptions. Exceptions may render the Proposal non-responsive.

Exceptions to Form of Contract: You may request changes to the form of contract (including any Standard or Special Terms and Conditions) on the Exceptions Form. You may also submit your own form of contract. The City will consider these in the same manner as any other exceptions.

You must indicate any and all exceptions taken to the requirements, specifications, and/or terms and conditions of this Solicitation, including the contract.

Exceptions (INITIAL ONE):

 JR No exceptions

 Exceptions taken (describe). Attach additional pages if needed.

CONFIDENTIAL MATERIALS (FORM)

If you believe part of your Proposal is confidential, mark the page(s) "CONFIDENTIAL" and isolate the pages as an attachment to this form. Also include an explanation why they are confidential.

Requests to deem the entire Proposal as confidential will not be considered.

If you want confidential information returned to you after contract award (and you are not selected for contract award), then note this below. You will be responsible for pick up.

Generally, information submitted in response to a Solicitation is subject to disclosure pursuant to the Arizona Public Records Law after contract award.

The information identified as confidential shall not be disclosed until the City makes a written determination whether the information may be treated as confidential. If the City determines it is necessary to disclose the information, the City will inform you in writing.

Confidential/Proprietary Materials (INITIAL ONE):

 JR No confidential/proprietary materials have been included with this Proposal

 Confidential/Proprietary materials are included in this Proposal. See attached.

COOPERATIVE PURCHASES (FORM)

The City of Flagstaff is a member of Flagstaff Alliance for the Second Century, along with the Coconino County Community College District, Northern Arizona University, Coconino County and Flagstaff Unified School District. The City is also a member of S.A.V.E. (Strategic Alliance for Volume Expenditures), which consists of numerous municipalities, counties, universities, colleges, schools and other Arizona State agencies. Cooperative purchasing arrangements such as the above are sanctioned by state law and allow a Contractor to sell services and materials to any member of a cooperative group under the same pricing, terms and conditions of contract awarded to the Contractor by any other member, following a competitive procurement process.

Is your company willing to offer the goods and services solicited under the terms and conditions of this solicitation to other members of the Flagstaff Alliance for the Second Century and S.A.V.E. under the same pricing, terms and conditions?

 JR Yes No (INITIAL ONE)

If you answered No, that is acceptable. The City will not reject your Proposal or consider it to be non-responsive. If you answered Yes, and a contract is approved, others may seek to do business with you under the same terms and conditions, subject to your approval.

DISCLOSURE (FORM)

For any item checked YES, you must provide information. Answering YES to one or more questions does not necessarily mean you will be disqualified from this Solicitation. **FAILURE TO PROVIDE TRUE AND COMPLETE INFORMATION MAY RESULT IN DISQUALIFICATION FROM THIS SOLICITATION.**


1. Has your company or any affiliate* in the past 5 years: (i) had a permit revoked or suspended, (ii) been required to pay a fine, judgment or settlement of more than \$100,000, (iii) been convicted of a criminal offense (including a plea of guilty or *nolo contendere*), or (iv) been found in contempt of court, as a result of or in connection with any of the following:
 - a. Any offense relating to integrity or honesty, including fraud, bribery, embezzlement, false claims, false statements, falsification or destruction of records, forgery, obstruction of justice, receiving stolen property, theft, price fixing, proposal rigging, restraint of trade or other antitrust law violation? YES _____
NO x
 - b. Violation of the terms of any public contract? YES _____
NO x
 - c. Failure to pay any uncontested debt to a government agency? YES _____
NO x
 - d. Violation of any law or regulation pertaining to the protection of public health or the environment? YES _____
NO x

*An "affiliate" of your company means any person, company or other entity that, either directly or indirectly (for example, through stock ownership by family members), controls, is controlled by, or is under common control with, your company.

2. Has your company or any affiliate in the past 5 years been named as a party in any lawsuit related to performance of a contract (you do not need to list subcontractor lien claims which have been fully paid/satisfied)?
YES _____ NO x

3. Has your company or any affiliate of your company in the past 5 years been debarred or suspended from submitting proposals on public contracts?
YES _____ NO x

I hereby verify that the foregoing information, and any explanation attached are to the best of my knowledge, true and complete.



Jim Rounds, President
Signature of Person Authorized to Sign Proposal

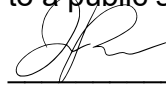
DECLARATION RELATED TO SOLVENCY (FORM)

Is your Contractor currently involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or has a trustee or receiver been appointed over all or a substantial portion of the property of your Contractor under federal bankruptcy law or any state insolvency law?

_____ Yes JR No (INITIAL ONE)

DECLARATION RELATED TO GRATUITIES (FORM)

I hereby verify and declare that, to the best of my knowledge, neither the Contractor nor anyone associated with the Contractor has given, offered to give, or intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Proposal ("Gratuities").



Jim Rounds, President
Signature of Person Authorized to Sign Proposal

DECLARATION OF NON-COLLUSION (FORM)

I hereby verify and declare that:

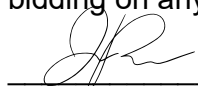
The pricing for this Proposal has been arrived at independently and without consultation, communication or agreement with any other Contractor who may submit an Proposal.

The pricing for this Proposal has not been disclosed to any other Contractor who may submit a Proposal, and will not be, prior to the Closing Date and Time.

No attempt has been made or will be made to induce any Contractor or person to refrain from submitting a Proposal, or to submit a Proposal with higher pricing than this Proposal, or to submit an intentionally high or noncompetitive Proposal or other form of complementary Proposal.

This Proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any Contractor or person to submit a complementary or other noncompetitive bid.

Contractor, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract.



Jim Rounds, President
Signature of Person Authorized to Sign Proposal