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Stan Ahlerich, President

REQUEST FOR INFORMATION (RFI)

Date Released: March 17, 2010

Closing Date: March 31, 2010 – 5:00 p.m. (CST)

Contact: Stan Ahlerich
Kansas, Inc.
632 SW Van Buren, Suite 100, Topeka, KS 66603
785 296-1460
785 296-1463 (fax)
ksinc@ink.org

Item: Research Study: Assessing the Kansas Business Climate – Taxes, Costs, Incentives and Regulatory Structure

Scope: Kansas, Inc. is seeking Statements of Interest (SOI) from Interested Parties (IP) that are qualified and experienced in providing information on a research study that assesses the Kansas business climate specifically in regards to taxes, costs, incentives and regulatory structure.

NOTE: THIS IS NOT A REQUEST FOR BID

**STATE OF KANSAS
KANSAS, INC.
REQUEST FOR INFORMATION**

Kansas, Inc.

Kansas, Inc. is an independent, objective and non-partisan organization designed to conduct economic development research and analysis with the goal of developing policies and recommendations to ensure the state's ongoing strategic competitiveness for economic growth. To attain our mission, Kansas, Inc. undertakes these primary activities: 1) Identifying, building and promoting a strategic plan for economic development efforts in the state of Kansas; 2) To complement the strategic plan, Kansas, Inc. develops and implements a proactive and aggressive research agenda, which is used to identify and promote sound economic development strategies and policies; and 3) Through collaboration and outreach with economic development entities and other potential partners, Kansas, Inc. conducts evaluation reviews and provides oversight of economic development programs to benchmark development efforts in the state of Kansas.

Co-Chaired by the Governor, Kansas, Inc. is governed by a 17-member Board of Directors, including legislative leadership, the Board of Regents, the Secretary of Commerce, the Commanding General of the Kansas Cavalry, a representative from labor and nine other members from the private sector representing key Kansas industrial sectors.

Background and Scope

Kansas, Inc. invites Interested Parties (IP) to respond to this Request for Information (RFI) regarding a research study on *Assessing the Kansas Business Climate – Taxes, Costs, Incentives and Regulatory Structure*.

Interested Parties shall respond to this Request for Information and submit three (3) copies to the address shown on the first page before **5:00 p.m. Central Time, March 31, 2010**. Faxed submission is acceptable along with an electronic copy.

The responding IP will not be bound by the written response; however, because Kansas, Inc. may rely upon information provided by the responder when determining the project in its entirety it is requested that the responding IP be as accurate as possible.

With regard to the information provided in the "Scope of Services," IP is to respond as accurately and thoroughly as possible.

It is our intent, at a future date, to issue a Request for Proposal and to competitively negotiate a contract for the procurement of a research study on *Assessing the Kansas Business Climate – Taxes, Costs, Incentives and Regulatory Structure* as described below.

Questions Concerning the RFI

Questions requesting clarification of this RFI must be submitted electronically to Kansas, Inc. (ksinc@ink.org), prior to 5:00 p.m. CST on March 24, 2010. Responses to any questions will be directed to the Interested Party asking the question(s). All questions received electronically by 5:00 p.m. CST on March 24, 2010 will be answered. No questions by telephone or fax will be accepted.

Response

Vendor's response should consist of:

- One (1) original and two (2) copies of the Response, including signature sheet, applicable literature and other supporting documents;
- One (1) file submitted electronically in Microsoft® Word, Excel or searchable PDF files.

Responses are to be submitted to:

Kansas, Inc.

Closing Date: March 31, 2010

632 SW Van Buren, Suite 100, Topeka, KS 66603

The submission deadline is 5:00 p.m. CST on March 31, 2010.

Responses shall bear the name of the individual partnership or corporation submitting the bid and shall be labeled, "Kansas Business Climate Research Study."

Electronic modifications will be considered if received prior to the closing date/time for receipt of Statements of Interest.

Open Records Act: All RFI responses shall become the property of the State of Kansas. Information contained in RFI responses will become open for public review when the resulting contract is signed or all proposals are rejected, or the agency chooses not to pursue the subject matter through a procurement process.

Copies of the Responses: Information contained with RFI responses will not be released until after the completion of a formal bid process and all resulting contracts have been signed or the agency decides not to proceed with a formal bid process. At the appropriate time, copies of individual RFI responses may be obtained under the Kansas Open Records Act by contacting, Kansas, Inc. An estimate of the cost to produce the documents will be provided. Upon receipt of the funds, the document will be mailed. Once the files are open to public inspection, a vendor may also make an appointment to view the RFI responses by contacting the agency contact person.

Responding to Request for Information (RFI)

Responding IP should include its qualifications in the response. The qualifications should provide a brief history of the IP, evidence of credibility and a resume for key staff members involved with preparation of the response to this RFI.

Any or all responding IPs may be requested to conduct a formal presentation to further explain and clarify the IP's understanding and approach and/or to respond to questions from Kansas, Inc. in regard to the information submitted.

The cost of developing and submitting the information is entirely the responsibility of responding IP. This includes costs to determine the nature of this RFI, preparation of the response, submitting the response and any other costs associated with this RFI.

Responses should be prepared simply and economically, providing a straightforward, concise description of the information being requested in this RFI. Emphasis should be on completeness and clarity of content.

Other Considerations

The IP may provide any other relevant issues or points of interest important to the Research Study not specifically addressed below.

Project Background

[Strategic Planning](#)

In accordance with KSA 74-8002, the statewide economic development strategic plan, entitled *Leveraging our Foundations and Designing the Future: A Kansas Economic Renaissance*, provided 43 strategies addressed through 98 recommendations intended to strategically position Kansas for long-term economic growth. The strategic plan was the result of a yearlong process, driven by sound, fundamental research and tested with business input throughout the state.

The strategic planning process noted the Kansas economy was historically built on three primary industries that drove the state's economy – agriculture, oil and gas, and aviation. These primary industries built the foundation of the Kansas economy, and while they remain inherent strengths, they are ever-changing as we transition into an integrated global economy. In essence, these industries represented the preverbal three-legged stool; however, the current economy has evolved into a dynamic five-legged table, including: Rural Development and Agriculture; Energy and Natural Resources; Manufacturing – Aerospace and General; Professional, Scientific and Technical Services; and Biosciences.

The strategic planning process highlighted the importance of a tax and regulatory structure that is competitive and conducive for the growth of existing and new businesses of all sizes and sectors.

“We have to recognize what we can and can't do, and focus on the areas where we can make an impact. Remember who and what got us here – every business matters.”

Throughout the state, it was recognized that every business matters, whether large or small, startup or multi-generational operations – Kansas must have a competitive business and tax climate to nurture businesses of all sizes and in all stages. Businesses must have a level-playing field with regard to state incentives. The state must not ignore the businesses that grew its economy into what it is today. The state's focus should not be on just attracting companies to locate to Kansas, as both start-ups and existing expansions are important to the economy. Kansas must focus its efforts to provide a business climate that can provide the foundation for future business.

The strategic plan provided the basis for this question – what is the overall cost (local, state, federal) of doing business in Kansas compared to other states and localities.

Previous Studies: *Business Taxes and Costs: A Cross-State Comparison*

Kansas, Inc. has provided previous research on business taxes and costs in Kansas, the region and the nation to provide background information on state and local tax structure, as well as to assess the relative cost-competitiveness of Kansas as a location for doing business. These studies have been provided in 1990, 1992, 1995, 1997, 1999, 2001 and 2003.

Since the early 1980's, the responsibility for the provision of many goods and services has shifted from the federal government to state and local agencies. Accompanying this shift in responsibilities has been an increase in state and local taxes. These taxes grew much faster than personal income during the 1980's, and slightly faster during the 1990's. In the early 2000's, a recession and corresponding slow recovery placed substantial stress on state and local fiscal structures.

Thus, state and local governments have had to perform a difficult balancing act in order to meet revenue needs, preserve tax systems that are considered “fair” by the citizens, and maintain a business climate that is attractive, or at least not discouraging, to businesses. In many states, (not including Kansas), these pressures were relieved temporarily by budget surpluses of the late 1990's; however, the underlying challenge remains, and an economic slowdown can put most states under pressure again. The means by which state and local governments meet these challenges are the topic of these reports.

Project Overview

The Kansas, Inc. Board of Directors has recommended an overall analysis of the Kansas business climate, from a local, state and federal perspective, including, but not limited to a comparison of taxes, costs, incentives and regulatory structure in comparison to the six state regions surrounding Kansas (Arkansas, Colorado, Iowa, Missouri, Nebraska and Oklahoma). In essence, this study seeks to assess the overall costs of doing business in Kansas in comparison to peer states and localities. Utilize a model of potential companies that represent the diversity of the Kansas economy. Companies profiles should strive to capture different sizes and scopes of real businesses.

Scope of Services

The RFI seeks IPs to provide information on how to conduct the analysis of the cost-competitiveness of doing business in Kansas in comparison to peer states and localities, from a local, state and federal perspective, including, but not limited to a comparison of taxes, costs, incentives and regulatory structure. This information should include the six state region surrounding Kansas (Arkansas, Colorado, Iowa, Missouri, Nebraska and Oklahoma). The information should focus on local, state and federal business taxes, costs, incentives and regulatory structures to provide an overall cost of doing business in Kansas in comparison to peer states and localities. Useful analysis and comparisons may be based on specific business examples: various business stages/sizes, Metropolitan, Micropolitan and Rural population areas; or by other methods deemed significant by the IP. Upon the project award, further definition of these measures before implementation of the project may be considered.

Basic objectives and questions to be addressed by this research include, but are not limited to:

- The research should provide a basic historical perspective regarding structure, modifications and overall aspects of the local and state business structure in Kansas. Including, but not limited to taxes, costs, incentives and regulatory structure.
- The IP should provide how to conduct a review of decision factors, on a local- and state-level, with respect to business taxes, costs, incentives and regulatory structure. The review should be factored into the methodology used to evaluate the cost-competitiveness of doing business in Kansas in comparison to peer state and localities.
- Based on the information in the previous bullet point on how to design and document the methodology that will be used to evaluate the cost-competitiveness of doing business in Kansas in comparison to peer states and localities. The methodology should focus on local, state and federal business taxes, costs, incentives and regulatory structures. Useful analysis and comparisons may be based on specific business examples; various business stages/sizes; Metropolitan, Micropolitan and Rural population areas; or by other methods deemed significant by the Contractor. Upon project award, further definition of these measures before implementation of the project may be considered.
- The IP should provide how to conduct a basic review of federal business taxes, costs, incentives and regulatory structure. The information may be assumed to have a uniform impact on Kansas and its peer states and localities; therefore may not be as significant to the study as the local and state information.
- The IP should provide a review of on how to conduct a review local and state business taxes, costs, incentives and regulatory structure for Kansas and its peer states and localities. The review must capture the cost-competitiveness of doing business in Kansas, from a local and state level, including but not limited to a comparison of taxes, costs, incentives and regulatory structure. Useful analysis and comparisons may be based on specific business examples; various business stages/sizes; Metropolitan, Micropolitan and Rural population areas; or by other methods deemed significant by the Contractor. Upon project award, further definition of these measures before implementation of the project may be considered. Information to include, but not limited to:
 - Local and state individual income taxes
 - Local and state corporate income taxes
 - Local and state sales taxes
 - Local and state property taxes
 - Local and state business incentives and tax credits
 - Unemployment insurance and worker's compensation
 - Other business costs (labor, energy, construction, land, etc)
 - Business location, tax climate indices, quality of life factors, etc
- The IP should provide how to conduct a review of the overall cost or cost-competitiveness of doing business in Kansas compared to its peer states and localities. This review should be based on the methodology outlined in the previous bullet points and provide a measure of cost-competitiveness based on the information collected during the research. Useful analysis and comparisons may be based on

specific business examples: various business stages/sizes, Metropolitan, Micropolitan and Rural population areas; or by other methods deemed significant by the IP. Kansas, Inc. requests the creation and a cost and tax model that examines costs and taxes for typical firms in various industries. The model will calculate differences in the cost structure and tax liabilities that a representative firm would fare in each state and potentially locality. The model will distinguish the results of various firms.

- The research should provide how to conduct a detailed analysis that includes results and recommendations for future consideration the cost-competitiveness of doing business in Kansas in comparison to peer states and localities. The analysis should provide an overview of Kansas' strengths and weaknesses, potential gaps and opportunities, and the overall climate for business in Kansas.
- What level of frequency should the research study be conducted once completed?
- Kansas, Inc.'s request for information is not limited to the above items. The downturn of the economy has provided new challenges for states to seek, provide and review economic data for the future. What future data or questions will provide us with additional information in modeling or trend analysis?

Methodology

The methodology used on how to conduct this research should adequately address the objectives/questions presented in the "Scope of Work" section of this RFI. Specific details regarding this research will be addressed by Kansas, Inc. as they present themselves.

Pre-Proposal Questions/Answers Addenda

No Pre-Proposal Q&A session will (written or otherwise) be held.

Pre-Proposal Conference

No Pre-Proposal Conference will be held.

SIGNATURE SHEET

Item: Research Study – Assessing the Kansas Business Climate – Taxes, Costs, Incentives and Regulatory Structure

Agency: Kansas, Inc.

Closing Date: March 31, 2010 @ 5:00 p.m. (CST)

Legal Name of Person, Firm or Corporation _____

Toll Free Telephone: _____ Local: _____ Fax: _____

E-Mail: _____

Mailing Address: _____

City & State: _____ Zip Code: _____

Signature: _____ Date: _____

Typed Name of Signature: _____ Title: _____