

Request for Proposals for a Study of the Socioeconomic Impact of Gambling on Iowans

I. Introduction – General Information.

A. Legislative Background. Under 2004 Iowa Acts, House File 2302, section 61, the Iowa Legislative Council is required to commission a study by an independent entity to study the socioeconomic impact of gambling on Iowans and to make the report available by July 1, 2005. At the June 29, 2004, meeting of the Iowa Legislative Council, the Iowa Legislative Council designated the Studies Committee of the Legislative Council to commission the study required by the legislation. On July 19, 2004, the Studies Committee authorized the expenditure of up to \$90,000 for the purpose of completing the study as provided in this Request for Proposals. For purposes of this Request for Proposals, "RFP" refers to this Request for Proposals and "Studies Committee" refers to the Studies Committee of the Legislative Council or a successor legislative committee designated to act on behalf of the Studies Committee.

B. Request for Proposals. The Studies Committee, on behalf of the Iowa Legislative Council, is issuing this RFP to retain an individual or individuals or firm as the Consultant to perform the study as required by the legislation.

II. Scope of Services.

The Consultant shall perform the following services:

A. Study Overview. In fulfilling the requirements of the legislation, the Consultant shall conduct an empirical study on the socioeconomic impact of gambling on Iowans. The study should focus on the impact of gambling conducted by Iowans at casinos, including excursion gambling boats and horse and dog racetrack enclosures, as those terms are defined in Iowa Code chapters 99D and 99F, which are located in Iowa. The study shall include, but not be limited to, an analysis of the following:

1. The economic impact of gambling on communities and other businesses.
2. The impact of gambling, if any, on family finances and family relations in general.
3. Demographic information on gamblers.
4. An assessment of the impact, if any, of pathological or problem gambling on individuals, families, social institutions, criminal activity, and the economy.
5. Other relevant issues to fully examine the socioeconomic impact of gambling.

B. Study Specifics. In conducting the study described in paragraph A, the Consultant shall, at a minimum, address the questions listed in this paragraph B. Listed under each question are several subpoints that the

Consultant should consider addressing. Due to the time and budget constraints established by this RFP, the Consultant will likely not cover all of the subpoints. For purposes of this paragraph B, "community" may refer to a city, county, or other geographic or political grouping that the Consultant best determines can provide a basis for comparison in examining the questions and subpoints listed.

1. What is the local economic effect on the community as a whole from gambling?

In addressing this question, the Consultant is asked to address some of the following subpoints:

- a. How is a local community in which a casino is located impacted by the economic activity and tax revenue generated by the casino compared to a similar community in which a casino is not located?
- b. Have tax revenues generated by a casino enhanced the ability of the local community to access other private and public funding for economic development, such as Vision Iowa funding, in comparison to a community without a casino?
- c. How does the introduction of a casino in a community impact retail sales in that community, including tax revenues generated by retail sales, compared to retail sales in a similar community in which a casino is not located?
- d. How is a community's tax revenue, including property, sales, and other local taxes, impacted by having a casino located in the community?
- e. Is the overall crime rate in a community in which a casino is located higher, lower, or the same as a similar community in which a casino is not located? Are the types and rates of crimes committed in a community in which a casino is located different than in a similar community in which a casino is not located?
- f. Is the number of emergency calls in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
- g. If the emergency call rate has increased in a community in which a casino is located, are the calls from local residents or visitors to the community?
- h. Does the presence of a casino impact the infrastructure costs of a community, such as costs associated with providing police protection, with providing and maintaining adequate utilities, and with maintaining and building roads in the community?
- i. Does the presence of a casino impact an economically depressed community differently than a growing community?
- j. Is the economic impact of a casino that is solely a casino different from the economic impact of a casino that

includes other entertainment and hospitality-related businesses?

2. What is the local economic effect of a casino on the business community?

In addressing this question, the Consultant is asked to address some of the following subpoints:

- a. Is the number of locally owned or family-owned businesses, and the failure rates of such businesses, in a community in which a casino is located higher, lower, or the same as a similar community in which a casino is not located?
- b. Does the presence of a casino substitute or replace economic development that might otherwise occur without the presence of a casino?
- c. What is the cumulative impact in a community of economic activity generated by having a casino located in the community and what are the tangible benefits of this cumulative impact?
- d. Is the commercial tax revenue, including property and sales taxes, in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
- e. How have not-for-profit groups, and the entities that have received moneys from these groups, been impacted by having a casino located in their community, through both direct grants from the casino and contributions to the not-for-profit groups?
- f. How does a casino impact local land development, including both commercial and residential development?
- g. Is the percentage of commercial bankruptcies and business-related crimes, including insurance fraud, in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
- h. Is the tourism rate in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located? In addition, do casinos provide recreational opportunities that are in demand by Iowa residents? For purposes of this question, "tourism rate" may be examined by comparing hotel occupancy and length of stay rates, as well as other tourism measures used by the tourism industry.
- i. What is the impact on Iowa businesses serving as vendors for casinos and how many jobs are created to serve the casino industry in this state?

3. How does a casino affect the local job market?

In addressing this question, the Consultant is asked to address some of the following subpoints:

- a. Is the unemployment rate impacted by a casino locating in a community?

- b. Is there a change in types of job opportunities available in communities in which casinos are located, i.e., are there more or fewer jobs, more or fewer minimum wage jobs, or more or fewer high wage jobs?
 - c. Is the average salary in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - d. Is the percentage of jobs that offer health insurance in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - e. Is the percentage of jobs that offer some type of pension in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - f. Is the job absenteeism rate at businesses in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - g. Is there an economic or social impact associated with the type of entity which owns the casino, e.g., a county, local private group, or outside private group?
 - h. What types and numbers of jobs are created in a community by a casino and how do the pay and benefits of the jobs created compare with other non-casino-related jobs in that community?
4. How does problem gambling and treating those individuals who are problem gamblers affect a community?
In addressing this question, the Consultant is asked to address some of the following subpoints:
 - a. Is the percentage of problem or pathological gamblers in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - b. Does the presence of a gambling treatment program in a community in which a casino is located impact the percentage of problem or pathological gamblers in the community?
 - c. Does the number of problem or pathological gamblers in a community have an economic and criminal impact on the community?
 - d. Does the presence of a casino in a community impact the level of illegal gambling, sports betting, and gambling by minors in that community, i.e., is the percentage of illegal gambling in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
5. What are the health-related issues for individuals who live in a community in which a casino is located?
In addressing this question, the Consultant is asked to address some of the following subpoints:

- a. Is the average age of death in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - b. Do those persons living in a community in which a casino is located have more, fewer, or the same number of health problems as those living in a similar community in which a casino is not located?
 - c. Is the suicide rate in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - d. Is the percentage of persons with addictive disorders, including drug and alcohol abuse, and mental illness, including depression, in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
6. How does the existence of a nearby casino affect family life?
In addressing this question, the Consultant is asked to address some of the following subpoints:
- a. Is the divorce rate in a community in which a casino is located higher, lower, or the same as in a community in which a casino is not located?
 - b. Is the percentage of single parent families in a community in which a casino is located higher, lower, or the same as in a community in which a casino is not located?
 - c. Is the per capita number of domestic abuse and child abuse reports in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - d. Are the arrest rates in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - e. Is the school drop-out rate in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - f. Is the school attendance rate in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - g. Is the average education level of those persons living in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - h. Does employment by a casino impact the employee's family life differently as compared to non-casino-related employment in that community?
7. How does a casino affect household finances?
In addressing this question, the Consultant is asked to address some of the following subpoints:
- a. Are the percentages of home improvements, car purchases, or other large purchases in a community in

- which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
- b. Is the percentage of individuals on public assistance in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - c. Is the amount of personal debt in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - d. Is the percentage of personal bankruptcies in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - e. Is the percentage of people seeking credit counseling in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - f. Is the household income level in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - g. Is the percentage of reports of people stealing from businesses and friends and family in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?
 - h. Is the percentage of homeless people in a community in which a casino is located higher, lower, or the same as in a similar community in which a casino is not located?

C. Study Timetable – Schedule of Events. The Consultant shall follow the following schedule of events in completing the study. Except for the date for submission of the final report, the dates specified may be modified upon mutual agreement of the Consultant and the Studies Committee.

1. Wednesday, October 13, 2004 – Initial written progress report due from the Consultant.
2. Monday, December 6, 2004 – An in-person progress report meeting of the Consultant and the Studies Committee.
3. Thursday, January 20, 2005 – Second written progress report due from the Consultant.
4. Friday, February 25, 2005 – In-person presentation to Studies Committee with submission of draft of final report.
5. Monday, March 18, 2005 – Preliminary final report submitted to the Studies Committee for review by the peer review advisory committee.
6. Date as agreed upon by the Consultant and Studies Committee following peer review advisory committee review and comment, but in no event later than July 1, 2005 – Final report submitted.
7. Date as agreed upon by the Consultant and Studies Committee following submission of final report – In-person presentation to Studies Committee on the final report.

D. Final Progress and Report Requirements.

- 1. Form of Reports.** The Consultant shall submit a printed version and one uncompressed electronic version drafted in Microsoft Word or a similar word processing program for each of the two written progress reports, in-person report presentation materials, the draft final report, the preliminary final report, and the final report that are required to be submitted to the Studies Committee. If color is used in any of the reports, the color shall be used in a manner capable of being reproduced and easily read in a black and white format. It is anticipated that each report will be posted on the Iowa General Assembly's web site.
- 2. Number of Printed Copies.** The Consultant shall submit 25 printed copies of each of the two written progress reports, the draft final report, and the preliminary final report, and 200 printed copies of the final report.

E. Rights to Material Produced. Materials produced in whole or in part by the Consultant pursuant to this study are not subject to copyright in the United States or in any other country. The Studies Committee and the Iowa General Assembly have unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any data, reports, or other materials compiled or produced pursuant to this study.

F. Release and Acceptance of Findings and Reports. The Studies Committee shall be responsible for establishing requirements and restrictions regarding the release of findings and reports by the Consultant and the acceptance of the findings and reports by the Studies Committee.

G. Peer Review Advisory Committee. The Studies Committee shall establish a peer review advisory committee to review the preliminary final report submitted by the Consultant to examine and comment on the methodology used in the study. The Consultant shall be given an opportunity to respond to and modify the preliminary final report following the peer review prior to submission of the final report.

III. General Terms, Conditions, and Limitations.

A. Nonobligatory.

- 1. No State Obligation.** This RFP requests the submission of proposals and should not be construed as an intent, commitment, or promise by the Studies Committee, the Iowa General Assembly, or the State of Iowa for the acquisition of materials or services. The Studies Committee, the Iowa General Assembly, and the State of Iowa are not obligated in any way by the issuance of this RFP and the Studies Committee reserves the right to reject any or all proposals in whole or in part received by reason of this RFP.
- 2. No Payment Obligation.** The Studies Committee, the Iowa General Assembly, and the State of Iowa will not pay for any information or services provided by the bidder, or expenses incurred by the bidder, under the terms of this RFP. The selection

of a bidder means that the Studies Committee will enter into good faith negotiations with the bidder with the expectation of executing a contract based on this RFP and the bidder's proposal. The Studies Committee may terminate negotiations at any time and select a new bidder or issue a new RFP.

- B. Fixed Price Contract.** Except as otherwise provided in this RFP, or agreed to by the parties, the total price paid to a contractor must be fixed as provided in a contract executed between the parties. No special fees or expenses shall be charged directly to the Studies Committee, the Iowa General Assembly, or the State of Iowa.
- C. Contract Terms and Conditions.** The Studies Committee may make a preliminary selection of a bidder as a prospective Consultant conditioned upon the bidder's acceptance of standard terms and conditions included in the Studies Committee's contracts, including choice of law and forum, compliance with applicable state law, avoidance of conflicts of interest, subcontracting restrictions, nondiscrimination requirements, payment provisions conditioned up delivery of reports, indemnification, compliance and termination procedures, and liquidated damages and specific performance provisions.
- D. Contract Execution Deadline.** The Studies Committee expects that a contract will be executed between the Studies Committee and the Consultant not later than Tuesday, September 21, 2004. A bidder who desires to review a model contract should contact the Legislative Services Agency.
- E. Property Rights.**
 - 1. General Assembly Assumes Ownership.** Proposals submitted in response to this RFP are the property of the Iowa General Assembly. The Studies Committee will serve as custodian of the information.
 - 2. Confidentiality.** Proprietary information that the bidder considers property of the bidder or that contains trade secrets is protected from disclosure as provided in Iowa Code Chapters 22 (Iowa Public Records Law) and 550 (Uniform Trade Secrets Act) if the information is properly identified. The Studies Committee, the Iowa General Assembly, and the State of Iowa will not act as a party in any lawsuit to protect the rights of a bidder, prospective consultant, or the Consultant.
 - 3. Disclosure of Proposals.** The laws of Iowa require that at the conclusion of the selection process the contents of all proposals be placed in the public domain and be open to inspection by interested parties.
- F. Web Site.** The Agency's web site is: <http://www.legis.state.ia.us>. A bidder may obtain an electronic copy of this RFP, bidder questions and responses, and other relevant information at that location.
- G. Contact.** The Studies Committee encourages communication between the administrative staff of the Studies Committee and potential bidders,

including bidder questions. All communications concerning this RFP, and any bidder questions, should be addressed to:

Mr. Ed Cook
Legislative Services Agency
State Capitol
Des Moines, Iowa 50319
Telephone: (515) 281-3994
FAX: (515) 281-8027
E-mail: ed.cook@legis.state.ia.us

H. Interviews. The Studies Committee reserves the right to personally interview a select number of potential bidders or bidders who have completed projects similar to that requested in this RFP or who otherwise demonstrate exceptional qualifications to meet the requirements of this RFP and the Studies Committee's contracts.

IV. Submission of Proposals and Communication.

A. Deadline. Proposals must be received in-house by the Legislative Services Agency, on behalf of the Studies Committee, no later than 4:00 p.m., Tuesday, September 7, 2004. Proposals must be addressed to:

Legislative Services Agency
Response to RFP
Attention: Mr. Ed Cook, Senior Legal Counsel
State Capitol
Des Moines, Iowa 50319

B. Form of Submissions. A bidder must submit 25 printed copies and one uncompressed electronic version of its proposal to the Studies Committee drafted in Microsoft Word or a similar word processing program. Faxed or electronic submissions will not be accepted. The proposal, and any clarifications to that proposal, shall be signed by an officer of the offering individual or firm or a designated agent empowered to bid for the individual or firm in a contract.

C. Verification. A bidder is exclusively responsible for verifying with the Studies Committee the time and date that its proposal has been received by the Legislative Services Agency.

D. Incomplete Proposals. The Studies Committee reserves the right to reject any proposal which is incomplete, as if it were a late submission.

E. Late Submissions. Except as otherwise provided in this paragraph, the Studies Committee will not accept the late submission of a proposal. The Studies Committee may extend the deadline for all potential bidders only if it finds that an extraordinary situation prevents one or more bidders from submitting timely proposals.

F. Bidder Questions or Concerns.

1. Potential bidders are expected to raise questions or concerns about this RFP, including exceptions or additions, no later than 4:00 p.m., Wednesday, August 11, 2004. Questions shall be submitted in writing, or in an electronic format, to the Legislative Services Agency.

2. All bidder questions and responses will be posted on the Iowa General Assembly's web site no later than Wednesday, August 18, 2004.

G. Contents.

1. Objectiveness. Proposals are of primary value to the Studies Committee if they address the specifications and requirements identified in this RFP in a clear and concise manner. Special bindings, colored displays, and promotional materials are discouraged.

2. Information. Proposals must include complete and accurate information as required by this RFP. Proposals should include the following:

- a. Describe how the Consultant will deal with each item outlined in the part of this RFP entitled Scope of Services.
- b. Set forth a work plan narrative of no more than 20 pages specifying the staff, tasks to be performed, when the actual work will begin if the contract is awarded, and the completion date. A preliminary work program should be included. The Studies Committee reserves the right to approve any subcontractors employed by the Consultant.
- c. Include a detailed resume, including references, and a time commitment for each professional or technical person to be assigned to the study. In employing research personnel for this study, preference shall be given to Iowa residents if qualifications are comparable. In the case of a consulting firm, the principal or manager who will serve as the director of the study must be identified.
- d. Include final reports or work products from other projects undertaken by the personnel to be assigned to this study, with particular emphasis on projects of similar scope and effort. It is desirable that a summary of the projects be included in the proposal. The reports or work products may be attached as an appendix to the proposal and multiple copies of these reports or products are not required to be submitted.
- e. Include an itemized budget projecting the cost of the study.

3. Alternatives. A bidder may elect to propose an alternative to a specification, or recommendations regarding alternative methods to satisfy the purposes and objectives of this RFP. If so, the bidder must identify the alternative and explain why it is proposed.

4. Contact Person. Bidders must designate one primary contact person, specifying a name, address, telephone number, e-mail address, and FAX number.

H. Delayed Delivery. The contract will provide for liquidated damages for delays in the delivery of the required reports as described in the part of this RFP entitled Scope of Services. The amount of the liquidated damages may be based on a percentage of the contract price.

V. Evaluation of Proposals.

Proposals will be evaluated by the Studies Committee which will select the proposal deemed most advantageous. The Studies Committee may utilize its administrative staff and other persons selected by the Studies Committee to assist in evaluating proposals. In selecting a proposal, the Studies Committee will consider, but is not limited to, each of the following factors:

- A. Consultant's Proposed Statement of Work.** Emphasis will be on the grasp of the study, the soundness of approach, and the quality of recommendations for modification, if any, in the Scope of Services.
- B. Cost.** It is expected that the amount of the bid is the Consultant's maximum compensation under this fixed price contract, unless otherwise agreed to by the parties. As previously noted in this RFP, the Studies Committee has limited the cost of this study to \$90,000.
- C.** Ability to complete project within the specified time frame.
- D.** Capability to establish positive working relationships with the Studies Committee, Studies Committee partisan staff, and the Legislative Services Agency, other state agencies, and persons interested in and affected by casino gambling.
- E.** Background and previous experience of personnel (including consultant and subcontractors) to be assigned to the study and their demonstrated competence in the type of work each is to perform, including the quality of previous reports and work products. Special consideration will be given to consultants with a demonstrated ability to write clear and understandable language with a limited use of terms of art.
- F.** Consideration will be given to management and project control, ability to commit staff within time requirements, and recent relevant performance record. The names, addresses, and telephone numbers of agencies for whom the Consultant has previously conducted similar studies, even if in progress, should also be included in the materials submitted.
- G.** Preference will be given to Iowa-based consultants and consultants employing Iowa residents as research personnel if the quality of the proposal is otherwise comparable to other non-Iowa-based consultants and researchers.
- H.** The Studies Committee may give special consideration to consultants with demonstrated expertise in quantitative analysis of the socioeconomic costs of gambling.