

**City of Los Angeles
Citywide Minimum Wage RFB Response Scoring Document**

EVALUATION CRITERIA	SCORE	COMMENTS
<p>1. <i>Quality, Responsiveness and Technical Solution (40 points).</i></p> <p>Proposal addresses the following:</p> <ul style="list-style-type: none"> • Discusses how to establish a minimum wage in the City of \$13.25 by 2017, and then increase the minimum wage to \$15.25 an hour by 2019, to be followed by annual increases; provides comment on other timeline implementation options. • Provides full analysis of economic impact of the subject minimum wage proposal including the positive and negative effects on the City. • Provides an analysis of the minimum wage proposal's effects on the local economy, including the number of people who would benefit from and increased wage and the potential for additional tax revenues. • Provides an analysis of unintended consequences, including the reduction of workers benefits and hours. • Provides an analysis on job creation and job/business retention. • Identifies specific industries, including non-profits and small businesses, that could experience negative impacts from the proposal; evaluates pros and cons of categorical exemptions or other solutions to reduce potential negative impacts; provides clear definitions of the industries identified. • Provides an analysis for an option to establish a base and ceiling on automatic wage increases. • Provides a review of options for the enforcement of a minimum wage ordinance. • Provides a comparison of cost of living, demographics and median wage in the City versus other metropolitan areas. 	37	<ul style="list-style-type: none"> • Mention using cities with an increased MW and whether they exempt certain types of businesses and whether those are permanent or phased-out. • Plan to tackle Task #1 through case study and "stakeholder observations." This could be labor-intensive and not ideal with a sample size under 50. • Though they don't mention how they'll determine positive and negative impacts on the City, I assume they will use some kind of modeling given their reference to multiplier effects. • Provide a lot of depth and detail about how the questions they plan to answer about the MW's effect on the local economy. I wish they would say how they will manipulate all the data, because they appear to have the right ideas about what to collect. • Unintended consequences task includes a mention of IMPLAN – I assume this model will be used in other tasks as well. • Thorough description of plan for analyzing job creation and job/business retention. • They seem to have good ideas of how to approach the base and ceiling. • I'd prefer to see a different strategy, like best practices, rather than a stakeholder interview session to determine enforcement options.
<p>2. <i>Comparable Firm Experience (25 points).</i></p> <ul style="list-style-type: none"> • Proposer has demonstrated experience in performing similar analyses. • Perceived quality of experience performing similar economic and fiscal impact analysis. 	20	<ul style="list-style-type: none"> • Firm demonstrates a lot of experience and studies, but not all of it is directly relevant. • Many of their municipal projects were focused around small to mid-size cities (Petaluma, Lake Tahoe, Cerritos, Newport Beach, Atascadero).

<p>3. <i>Evaluation of Key Personnel (25 points)</i>.</p> <ul style="list-style-type: none"> Degree to which specific staff proposed to be assigned to the project have demonstrated analytical experience relative to the requested study. Organizational structure for the project is provided with personnel functions and responsibilities identified. 	20	<ul style="list-style-type: none"> ADE appears to have 7 staff, and 4 of them, including their president and both senior associates, are assigned to this project. I wonder whether that's sustainable given the intensity of this work over a short period of time. None of the five team members appears to have an educational background in economics – they hold degrees in planning, history, sociology and environmental studies. Their proposed consultant, Dr. Jamshid Damooei, seems to have most of his experience in global, not local, economics. Macy Leung's resume is given, but her role is not discussed, so I can't assume she's included in the project. She is the only staff member mentioned in the proposal who has an Economics degree.
<p>4. Fee for Services (10 Points).</p> <ul style="list-style-type: none"> Does the proposal clearly identify the fee, and is the fee \$100,000 or less as stated in the RFP? Consider this proposal compared to the other proposals; is the proposed level and quality of analysis higher or lower for a comparable cost? 	8	<ul style="list-style-type: none"> Proposed amount is \$88,000. It seems unrealistic that the second highest number of hours is generated by the president of the firm. Firm is available to attend all meetings.
<p>TOTAL (Maximum Score = 100):</p>	85	

General Comments:

Economic Analysis Firm's Name: Applied Development Economics

Date: 12.19.2014

Reviewer's Name: (for internal use only) _____

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<p>1. <i>Quality, Responsiveness and Technical Solution (40 points).</i></p> <p>Proposal addresses the following:</p> <ul style="list-style-type: none"> • Discusses how to establish a minimum wage in the City of \$13.25 by 2017, and then increase the minimum wage to \$15.25 an hour by 2019, to be followed by annual increases; provides comment on other timeline implementation options. • Provides full analysis of economic impact of the subject minimum wage proposal including the positive and negative effects on the City. • Provides an analysis of the minimum wage proposal's effects on the local economy, including the number of people who would benefit from and increased wage and the potential for additional tax revenues. • Provides an analysis of unintended consequences, including the reduction of workers benefits and hours. • Provides an analysis on job creation and job/business retention. • Identifies specific industries, including non-profits and small businesses, that could experience negative impacts from the proposal; evaluates pros and cons of categorical exemptions or other solutions to reduce potential negative impacts; provides clear definitions of the industries identified. • Provides an analysis for an option to establish a base and ceiling on automatic wage increases. • Provides a review of options for the enforcement of a minimum wage ordinance. • Provides a comparison of cost of living, demographics and median wage in the City versus other metropolitan areas. 	32	<ul style="list-style-type: none"> • Propose answering questions above and beyond what the City requested in the RFP. • Presumably defines unintended consequences in terms of potential job loss for some and “multiple overlapping wage bills” due to HLW and MW proposals. No direct mention of job retention or creation that I could find. • Literature review was discussed, but I didn't see what type of economic modeling (aka REMI and/or IMPLAN) would be used. I presume there would be modeling given that model experts are assigned to the team, but I'd like to know more about their methodology. • Beacon says they'll answer the questions posed by the RFP, but doesn't go into any detail in some cases regarding how they'll do that.
<p>2. <i>Comparable Firm Experience (25 points).</i></p> <ul style="list-style-type: none"> • Proposer has demonstrated experience in performing similar analyses. • Perceived quality of experience performing similar economic and fiscal impact analysis. 	24	<ul style="list-style-type: none"> • Previously selected by both labor and business on HLW (similar) study. • Statement of providing unbiased and nonpartisan analysis; however, this is offset by a perception of partisanship during Council review of HLW.

		<ul style="list-style-type: none"> • Experience providing information about enforcement costs to the City. • Very familiar with economic trends in City due to their ongoing reporting on comparative economic forecasting for Los Angeles
<p>3. <i>Evaluation of Key Personnel (25 points).</i></p> <ul style="list-style-type: none"> • Degree to which specific staff proposed to be assigned to the project have demonstrated analytical experience relative to the requested study. • Organizational structure for the project is provided with personnel functions and responsibilities identified. 	25	<ul style="list-style-type: none"> • Deep LA-specific experience in multiple areas. • Experience appears to be more practical and applicable to the City than academic. • Deep and relatively large bench with at least two members prominent in the world of LA economics.
<p>4. Fee for Services (10 Points).</p> <ul style="list-style-type: none"> • Does the proposal clearly identify the fee, and is the fee \$100,000 or less as stated in the RFP? • Consider this proposal compared to the other proposals; is the proposed level and quality of analysis higher or lower for a comparable cost? 	9	<ul style="list-style-type: none"> • Proposed amount about \$43,000 due to assigning junior staff to most work, though data analysis and report writing functions will involve contribution and oversight from all. • No discussion regarding whether presentations are included in price.
TOTAL (Maximum Score = 100):	90	

General Comments:

Economic Analysis Firm's Name: Beacon Economics

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<p>2. <i>Comparable Firm Experience (25 points).</i></p> <ul style="list-style-type: none"> • Proposer has demonstrated experience in performing similar analyses. • Perceived quality of experience performing similar economic and fiscal impact analysis. 	22	<ul style="list-style-type: none"> • Have pre-existing analysis with specific City information. • Multi-faceted experience. • Team members have experience that yields results supporting similar conclusions, leading me to wonder whether the review will be independent and

		<p>objective.</p> <ul style="list-style-type: none"> • Worked previously under much the same time frame performing very similar tasks.
<p>3. <i>Evaluation of Key Personnel (25 points).</i></p> <ul style="list-style-type: none"> • Degree to which specific staff proposed to be assigned to the project have demonstrated analytical experience relative to the requested study. • Organizational structure for the project is provided with personnel functions and responsibilities identified. 	24	<ul style="list-style-type: none"> • Outstanding experience, proposed subject-matter experts. • Responsibilities are clear.
<p>4. Fee for Services (10 Points).</p> <ul style="list-style-type: none"> • Does the proposal clearly identify the fee, and is the fee \$100,000 or less as stated in the RFP? • Consider this proposal compared to the other proposals; is the proposed level and quality of analysis higher or lower for a comparable cost? 	9	<ul style="list-style-type: none"> • Proposed amount about \$84,000. • Strong proposal for price.
TOTAL (Maximum Score = 100):	89	

General Comments:

Economic Analysis Firm's Name: UC Berkeley

Date: 12.19.2014

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<p>1. <i>Quality, Responsiveness and Technical Solution (40 points).</i></p> <p>Proposal addresses the following:</p> <ul style="list-style-type: none"> • Discusses how to establish a minimum wage in the City of \$13.25 by 2017, and then increase the minimum wage to \$15.25 an hour by 2019, to be followed by annual increases; provides comment on other timeline implementation options. • Provides full analysis of economic impact of the subject minimum wage proposal including the positive and negative effects on the City. • Provides an analysis of the minimum wage proposal's effects on the local economy, including the number of people who would benefit from and increased wage and the potential for additional tax revenues. • Provides an analysis of unintended consequences, including the reduction of workers benefits and hours. • Provides an analysis on job creation and job/business retention. • Identifies specific industries, including non-profits and small businesses, that could experience negative impacts from the proposal; evaluates pros and cons of categorical exemptions or other solutions to reduce potential negative impacts; provides clear definitions of the industries identified. • Provides an analysis for an option to establish a base and ceiling on automatic wage increases. • Provides a review of options for the enforcement of a minimum wage ordinance. • Provides a comparison of cost of living, demographics and median wage in the City versus other metropolitan areas. 	33	<ul style="list-style-type: none"> • Mention use of IMPLAN for modeling economic impact of MW proposal, though they don't specify whether the numbers are for LA County, City or both. • Good plan for identifying industries that might be impacted by the MW. • Thin discussion on the MW base and ceiling. • They're requesting 8 weeks to perform the work from the time of NTP, and that's not realistic, nor was that option offered during the proposers' conference call. • Useful descriptions and graphics for several of the RFP-requested tasks.
<p>2. <i>Comparable Firm Experience (25 points).</i></p> <ul style="list-style-type: none"> • Proposer has demonstrated experience in performing similar analyses. • Perceived quality of experience performing similar economic and fiscal impact analysis. 	17	<ul style="list-style-type: none"> • I received negative feedback regarding the factual accuracy and methodology used in ER's "Repaying Hospitality" study that they use as a reference; this negatively impacts my perception of ER's product and experience. • Breadth of experience is comparatively narrow.

<p>3. <i>Evaluation of Key Personnel (25 points)</i>.</p> <ul style="list-style-type: none"> Degree to which specific staff proposed to be assigned to the project have demonstrated analytical experience relative to the requested study. Organizational structure for the project is provided with personnel functions and responsibilities identified. 	15	<ul style="list-style-type: none"> Resources seem to be stretched for the tasks. While Daniel Flaming and Patrick Burns have experience working with wage issues, their lone researcher has one year's experience working with the firm; the statistical analyst appears to be a consultant with another full-time job outside of the firm. Organizational structure provided, but not as detailed as other proposals.
<p>4. Fee for Services (10 Points).</p> <ul style="list-style-type: none"> Does the proposal clearly identify the fee, and is the fee \$100,000 or less as stated in the RFP? Consider this proposal compared to the other proposals; is the proposed level and quality of analysis higher or lower for a comparable cost? 	6	<ul style="list-style-type: none"> Proposed amount is \$100,000. They mention attendance at both EDC and Council, and propose to charge more if they must appear in meetings more than twice. This could become a problem because a resulting, amended contract will then exceed the MBE/WBE threshold. Relatively speaking, this is the highest priced proposal for the fewest staff devoted to the work. The City cannot pay for start-up costs at the beginning of the project. Firms were advised that payment cannot happen until a contract is in place, and that contract might take up to two months to set up. They offer two pages of other work that could be performed for the City, but that too would require more money.
<p>TOTAL (Maximum Score = 100):</p>	71	

General Comments:

Economic Analysis Firm's Name: Economic Roundtable

Date: 12.19.2014

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