



**BUREAU OF FISCAL  
SERVICES  
PROCUREMENT UNIT**

**August 31, 2022**

**Request for Proposals (RFP) 22-100  
Economic Impact of New York State Tax Incentive Programs**

**Response to Bidder Questions**

To All Potential Bidders:

Attached are the Department's Responses to Bidder Questions received for the above referenced RFP.

New York State Department of Taxation and Finance  
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#	RFP Section	RFP Page #	Question	Answer
1	RFP Section 1.2. Background	9	Over what time period should tax incentives be analyzed? Which tax years need to be included in the report?	<b>The Bidder should consider a Proposal that encompasses the maximum number of years for which they believe they can access data.</b>
2	RFP Exhibits Exhibit 1 – NYS Tax Law § 180	9	Exhibit 1 was not attached to the RFP, appendices, or attachments. Where can we find this document?	<b>Exhibit 1 is located in RFP 22-100 Exhibits, Pages 65-66. All RFP documents are posted at <a href="http://www.tax.ny.gov/about/procure">http://www.tax.ny.gov/about/procure</a></b>
3	RFP Section 1.2. Background	9	In section 1.2 Background of the RFP, section 2) “return on investment”, line (d) states: whether similar job creation or private investment would have occurred without the existence of a state tax incentive. Does the NYS DTF want to consider an all or nothing designation as to whether the job creation/private investment would have occurred with or without state tax incentive or is there an option to attribute a portion of the job creation/private investment to factors other than the state tax incentive?	<b>The Proposal should clearly detail the Bidder's recommended methodology to meet the statutory requirement that the report examine the return on investment as defined in the statute itself.</b>
4	RFP Section 1.2. Background  and  RFP Section 2. Scope of Services	9-10	Background: The RFP states that “The Study must not include analysis of individual private entities or individual taxpayers.” <ul style="list-style-type: none"> <li>Is the expectation that this data may be analyzed, but only reported in aggregate such that information about individual entities is not disclosed? The RFP also states “whether similar job creation or private investment would have occurred without the existence of a state tax incentive” which implies a “But For” test that inherently requires an analysis of a treatment group (recipients of tax credits/incentives) compared to a control group (non-recipients).</li> </ul>	<b>The authorizing statute prohibits the analysis from including individual private entities or individual taxpayers.</b>  <b>It is incumbent on the Bidder to propose how they intend to address "whether similar job creation or private investment would have occurred....."</b>

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5	RFP Section 1.2. Background  and  RFP Section 2. Scope of Services	9-10	<p>If the But For test is not required and analysis of individual entities is not permitted, then ignore the following questions:</p> <ul style="list-style-type: none"> <li>• What data does NY have on the recipients of the tax credits and incentives?</li> <li>• Will NY make available, under non-disclosure protocols, any confidential information collected by the state related to incorporation, licensing, tax payments, or employment (including unemployment or ES-202 records)? Do you have nondisclosure agreements and protocols in place, or do you expect the consultant to provide a template for those agreements?</li> <li>• Does this data include useful identifiers such as EINS or DUNS numbers that can be used to uniquely identify the firms and link the data to other available data?</li> <li>• Has NY included any reporting requirements in its tax credits and incentives that includes job creation, wages, or other relevant metrics sought for this analysis? If not, can you please describe what information is available so that we can design a modeling approach to estimate the metrics of interest.</li> </ul>	<p><b>See the Department’s response to Question #4.</b></p>
6	RFP Section 2. Scope of Services	10	<p>Background: The Study must also include the relevant programs run at the state agency level, including relevant programs administered by executive agencies, authorities, commissions, and other government run entities. The proposal must include a comprehensive list of the tax credits, tax deductions and tax incentives authorized by any New York Law that will be included in the Study.</p> <ul style="list-style-type: none"> <li>• In order to identify the tax credits and incentives that will be analyzed, it is necessary to</li> </ul>	<p><b>Basic history and statistics about select tax incentives are available on the Department of Taxation and Finance’s public website at: <a href="https://www.tax.ny.gov/research/stats/statistics/annual-tax-expenditures.htm">https://www.tax.ny.gov/research/stats/statistics/annual-tax-expenditures.htm</a></b></p>

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			know how long those programs have operated and how many beneficiaries or recipients have been involved. Programs that have too few awards, or which have been operating for less than three years would not be good candidates for inclusion. Will NY DTF or some other agency be able to provide some basic statistics about these programs to help with preparation of the proposal?	
7	RFP Section 2. Scope of Services	10	Do we need to conduct our own research on tax credits, or will we be working with an expert/experts to source data?	<b>The economic impact firm that the Department contracts with may solicit input from leaders in the business community, organized labor and economic development stakeholders, including, but not necessarily limited to representatives from nonprofits, academic institutions, and leading New York state community development experts.</b>
8	RFP Section 2. Scope of Services	10	In evaluating the “return on investment” in terms of job creation due to tax credits, deductions, and incentives, is NYS DTF looking for an ex-post analysis of the economic development that actually occurred? To estimate the other estimated benefits including indirect and induced impacts, would NYS DTF accept estimates of the benefits based on calculations from an economic impact model?	<b>The Proposal should clearly detail the Bidder's recommended methodology to meet the statutory requirement that the report examine the return on investment as defined in the statute itself.</b>
9	RFP Section 2. Scope of Services	10	Is NYS DTF looking to estimate any future “return in investment” impacts based on anticipated participation in the tax credit, deduction, or incentive programs?	<b>See the Department’s response to Question #8.</b>
10	RFP Section 2. Scope of Services	10	How far back in time is NYS DTF looking to estimate “returns on investment” from previous participation in the tax credit, deduction, or incentive	<b>See the Department’s response to Question #1.</b>

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			programs? 10 years? 5 years? Life of the tax program?	
11	RFP Section 4.1. Methodological Approach	13	Would you accept multiple local tax program analysis in place of a state-wide effort?	<b>No.</b>
12	RFP Section 4.1. Methodological Approach	13	Do descriptions of the tax incentives need to be included in the proposal?	<b>Yes.</b>
13	RFP Section 6. Financial Requirements	19	What is the level of detail required for pricing? Is it a Firm Fixed Price, Time & Material, Labor Hours or something else?	<b>Not-to-exceed fixed price. See RFP Section 6. Financial Requirements and Attachment 19 - Financial Response Form for additional information.</b>
14	RFP Section 6. Financial Requirements	19	Does NYS DTF have a budget in mind for this proposal?	<b>This is not a substantive question. The Department declines to answer.</b>
15	RFP Section 8.2. Proposal Submission	40	Does a hardcopy of the RFP need to be submitted or will a soft copy suffice? If a hard copy is mandatory, does it need to be postmarked by Wednesday, September 14 <sup>th</sup> or in the office by that date?	<b>The Bidder must submit two (2) originals and one (1) hard paper copies of the Proposal. Proposals must be received by the date and time specified in the Schedule of Events. See RFP Section 8.2. Proposal Submission for additional information.</b>
16	RFP Section 8.2. Proposal Submission	40	Our firm's policies and procedures prevent the use of external devices (i.e., thumb drives). Would NYS DTF consider allowing an electronic submission, both encrypted and password protected, by email?	<b>In addition to the required hard paper submission, the Department prefers the Bidder also submit an electronic copy. The electronic copy, encrypted and password protected, may be submitted by email. See RFP Section 8.2. Proposal Submission for additional information.</b>

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17			Are there any prohibitions against a firm doing this work if they have negotiated tax incentives in NYS on behalf of clients?	<b>Negotiating tax incentives on behalf of a client would not, in itself, disqualify a Bidder.</b>