



City Chooses Highest Bidder to Conduct Economic Development Analysis

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[While we wait for the city's report on economic development incentives](#) , over a year late at this point, we thought we'd look over the other companies that bid on the project. After all, Kansas City is spending twice the amount on this study that St. Louis spent on a similar project just two years ago. And the vendor they chose, the Council of Development Finance Agencies (CDFA) [isn't exactly the sort of organization you'd turn to for a disinterested study of incentives](#) .

Kansas City issued a request for proposals with the deadline of June 12, 2016. Eight companies submitted bids to complete the work. The companies and their total bid prices are listed below. Note that CDFA, which was awarded the project, was the *highest* bidder. The final contract award was even higher: \$350,000.

Company	Bid
Council of Development Finance Agencies	\$286,678
HR&A Advisors	\$276,520*
Economic Development Research Group (EDR)	\$247,978
Investment Consulting Associates	\$239,549
Public Finance Management, Inc. (PFM)	\$202,458
Crowe-Horwath LLP	\$189,175
Economic Planning Systems, Inc. (EPS)	\$184,800
SB Friedman, Development Advisors	\$174,030*

*Does not include travel or expenses

I have attached electronic copies of the RFP and all the bids at the bottom of this post. Feel free to dig through them and let us know what you find. Here are some things we found noteworthy:

- Collins Noteis & Associates (“a WBE-certified firm specializing in urban planning, community planning, economic development planning, and government affairs”) is listed as a subcontractor on at least two of the bids: EPS and EDR.
- EPS’ bid includes as a subcontractor Parsons & Associates, which is a Kansas City–based public relations firm whose work would account for just over 10 percent of the cost. Why is a PR firm contracting to provide economic analysis?
- CDFA’s winning bid included participation of the W. E. Upjohn Institute for Employment Research. This is promising because the Upjohn Institute [recently published a study concluding](#) that:

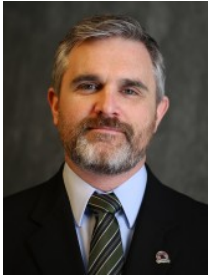
The existing research on incentives is that in some cases they can affect business location decisions, but that in many cases they are excessively costly and may not have the promised effects. The new research suggests that much of this consensus is justified.

- CDFA’s bid lists the Hardwick Law Firm LLC as a “team member.” Herb Hardwick, founder of that firm, still serves as counsel to the Kansas City TIF Commission—whose work CDFA will be assessing. This could be a significant conflict of interest.

The CDFA contract is operating under its fourth deadline extension, which ends in late July. We don’t know if a fifth extension will be sought or granted. But given the great cost, the delays, and questions raised by the choice of vendor, one wonders if anyone at City Hall is interested in a serious analysis of our incentive regime.

[CDFA Response.pdf](#) [Crowe-Horwath Response.pdf](#) [Economic Planning Systems Inc. Response.pdf](#) [EDR Group Response.pdf](#) [EV2228 Economic Development Incentives Analysis RFP.pdf](#) [HR A Advisors Response.pdf](#) [Investment Consulting Associates NA LLC Response.pdf](#) [PFM Group Consulting LLC Response.pdf](#) [SB Friedman Development Advisors Response.pdf](#)

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Advancing liberty with responsibility by promoting market solutions for Missouri public policy.

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