

Appalachian Regional Commission

Request for Proposals

**Evaluation of Strategies for Economic Improvement
in Appalachia's Distressed Rural Counties**

Proposals due on or before September 8, 2009

Appalachian Regional Commission
1666 Connecticut Ave., NW
Washington, D.C. 20009-1068

Attention: David Carrier
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I. Overview

The Appalachian Regional Commission (ARC) invites proposals from qualified researchers and consultants to evaluate economic growth in Appalachia's distressed rural counties, analyze and compare strategies for economic development in these counties, and identify factors that led to success as well as factors that inhibited or constrained growth. This study should build on the methodology, conclusions, and recommendations presented in the ARC-sponsored study entitled "*Sources of Regional Growth in Non-Metro Appalachia*" conducted by *Economic Development Research Group, Inc. (EDR Group, 2007)* There are several major components to this research project:

- Briefly summarize relevant ARC-sponsored research related to economic development strategies in distressed counties, referring to the *Sources of Regional Growth* study in particular.
- Choose five case studies of successful implementation of ARC economic development strategies, one for each of ARC's major program areas. Identify a county or multi-county region that was previously economically distressed, but has emerged from distress and is currently categorized as transitional, competitive, or attainment. Where possible, relate the story of its successful economic development to the implementation of ARC-funded projects in one or more of ARC's major program areas: the Appalachian Development Highway System (ADHS); transportation and intermodal infrastructure; water and wastewater infrastructure; entrepreneurship, business development, and broadband infrastructure; energy efficiency and renewable energy; education and workforce development; tourism and asset-based development; and job creation and retention strategies.
- Identify county or regional "twins" in Appalachia for each of these distressed counties or regions that have similar assets, infrastructure, human and natural resources, and industrial structure, but which *did not* emerge from distressed status. A second aspect of the case study analysis should compare differences in socio-economic characteristics, government intervention, the role of community-based organizations, and economic development strategies between the persistently distressed counties and their economically successful twins, identifying similarities and contrasts.
- Where appropriate, explain these selected case studies of successful development strategies in terms of particular theories of regional economic growth (see the *EDR Group* study, Volume 2). Growth theories may be empirically tested using regression analysis.

The primary goal of this research project is to present practical methods and analytical tools that, when coupled with case study examples, can help identify potential sources of regional economic growth in distressed rural counties. The goal is to provide valuable insights and methodology for local economic development practitioners that can be used to analyze growth prospects in other counties and regions.

Proposals should present a systematic methodology for analyzing growth patterns and structural change in the region. Of particular interest are methods for analyzing relationships between metropolitan and non-metropolitan areas, exurban developments, agglomeration effects, transportation linkages and multimodal facilities, amenities or quality of life factors, inter-industry or supply chain linkages, asset-based development, and cluster-type developments, as well as social, political, and institutional factors that have a bearing on successful economic development.

Proposals should outline steps to integrate key findings from these studies and use them to create a methodological framework for assessing the growth prospects of other distressed rural Appalachian counties or regions.

II. Deliverables

The contract will require a draft and a final report with an executive summary that integrates and interprets key findings of the study; a series of thematic chapters; and a conclusion with recommendations for implementation of study findings. The report should be written for a non-technical audience and relate the narrative discussion to descriptive statistics, analyses, graphs and tables where appropriate. Technical details, data tables, and details regarding methodology should be presented in appendices. A printed copy of the final report suitable for reproduction and an electronic file copy must be submitted upon completion of the project (in MS Word and Adobe pdf file formats). These should be accompanied by an Excel workbook of all relevant data compiled during the study.

III. Scope of Work

The proposal should develop an outline for the research and supporting methodologies, and present a general plan and schedule for the series of reports and work products. The scope of work requires a team of researchers and the organizational resources of a research institution or consulting firm to execute the project. The following issues should be incorporated or addressed in the design of proposals for this research project, however the Commission is open to discussion of other influences that may have helped shape economic growth and development in distressed areas of rural Appalachia.

- Key economic factors and policies that have decisively shaped economic restructuring.
- The influence of metropolitan areas on the growth and development of adjacent and non-adjacent rural counties in Appalachia, particularly agglomeration effects, supply chain and trade center effects, export-based and exurban development linkages.
- The influence of urbanized areas of rural Appalachian counties (so-called micropolitan areas) on the growth and development of surrounding counties.
- Spatial linkages, transportation links, and regional multipliers of industrial clusters with the economies of surrounding rural areas
- The contribution of knowledge-based, human, cultural, or natural assets; social, political, and institutional factors; and amenities or quality of life factors to economic growth and development in rural areas.
- The contribution of transportation, broadband, water and wastewater, natural resources, and other infrastructure development to economic growth and development in rural areas.

The research design for proposals should begin with a critical literature review of research on rural economic development in Appalachia and the rest of the nation. If and where appropriate, regression or spatial econometric analysis may be applied to empirically testing observed relationships.

The scope of work may also benefit from conducting a seminar with researchers and peers to review and interpret the findings of the work, although proposals should carefully consider the budget requirements for such activities.

The study should provide an analytical framework to understand and implement the knowledge gained from this analysis for applications in other distressed areas. A useful outcome of this study would be to suggest ways that economic development practitioners could analyze their regional economy, assess its strengths and weaknesses, and develop recommendations for suitable economic growth strategies.

IV. Methodology

The successful applicant will develop a complete methodology to conduct the analysis specified in the scope of work.

- Specification of data sets and methods to be used for each of the proposed analyses, including consideration of appropriate time-series and geographical or spatial relationships to be considered.
- Discussion of the scope, limitations, and coverage of data sources.
- Preliminary description of the research method(s) and statistical techniques for conducting the proposed analyses, and the advantages and limitations of the selected approach given the budget constraint.
- Protocols for selecting and conducting case studies of representative counties and regions.
- Preliminary design concept for developing an analytical framework or tools that communities can use to assess local growth strategies and opportunities.

Proposals can offer other methodological approaches as needed. In keeping with the overall budget constraint for this project, proposals may present trade-offs among tasks as long as the research design can ensure the accomplishment of the main research objectives of the project.

V. Proposal Submission, Evaluation, Cost and Timing

The Commission anticipates that the level of effort required for this project will be medium scale (\$75k to \$149k). The contract will be a FIRM FIXED-PRICE CONTRACT. The Commission anticipates that the work will take 12 months to complete all phases of the project.

An original and three copies of the proposal must be submitted to the Regional Planning and Research Division, Appalachian Regional Commission, 1666 Connecticut Avenue, NW, Suite 700, Washington, D.C., 20009-1068, on or before **September 8, 2009**. Questions about this proposal should be directed to David Carrier, Senior Economist, dcarrier@arc.gov.

All proposals will be evaluated based on the following criteria:

- Complete, clearly articulated, logical study design and technically competent methodology;
- Demonstrated knowledge of performance measurement and evaluation issues
- Qualifications, relevant prior experience, command of existing research on regional development issues, and ability to present findings in a useful manner;
- A credible management proposal for staffing and completing the project in a timely fashion;
- Cost effectiveness of the proposed project design.

VI. Outline of Technical Proposal Contents

A. Technical Proposal Narrative should not exceed 10 pages, not including the accompanying resumes and organizational background materials.

Project Work Plan and Milestones: Please provide a brief abstract the proposal by summarizing the background, objectives, proposed methodology, and expected outputs and results of the research. The proposal should describe the phases into which the proposed work can be logically divided and performed. A schedule of milestones and deadlines should be specified for the completion of various work elements, including information collection, interviews, surveys, analyses, quarterly progress reports, preliminary drafts for review, and final draft reports.

The proposal should identify the points and tasks in this research project that will require participation by the Commission and ARC staff. Further, the statement should identify specific information needs according to sources, procedures, and individual tasks of the research that may need to be supplied by the Commission. Finally, the proposal should identify any difficulties that may be encountered in this project and propose practical and sound solutions to these problems.

Personnel performing the work must be described in this section in terms of numbers of people and their professional classification (e.g., project director, web-designer, analyst, program designer, etc.). Brief resumes of the education and relevant experience of the principal investigator, co-investigator, and other key personnel are required. The selected contractor will be required to furnish the services of those identified in the proposal as key personnel. Any change in key personnel is subject to approval by ARC.

B. Management Proposal

The resource capability and program management for planning and performing the work will be considered in the proposal selection process.

- *Business Management Organization and Personnel:* Furnish a brief narrative description of the organization that will perform the proposed work effort, and the authority responsible for controlling resources and personnel.
- *Staffing Plan* A staffing plan is required that describes the contractor's proposed staff distribution to accomplish this work. The staffing plan should present a chart that partitions the time commitment of each professional staff member to the project's tasks and schedule. In addition, the proposal should include a detailed description of activities for key project-related personnel and anticipated deliverables. Finally, the proposal should identify the relationship of key project personnel to the contracting organization, including consultants.
- *Relevant Prior Experience* The proposal must describe the qualifications and experience of the organization and the personnel to be assigned to the project. Information should include direct experience with the specific subject-matter area and organizations, addresses, contact persons, and telephone numbers for such references.
- *Contract Agreement Requirements* This section of the proposal should contain any special requirements that the contractor wants to have included in the contract.

C. Cost Proposal

Each proposal submitted must contain all cost information, including direct labor costs consistent with the staffing plan, labor overhead costs, travel, estimated cost of any subcontracts, other direct costs (such as those for creating or maintaining databases), university overhead, total costs, overhead, and contract fees or profit. ARC policy on allowable indirect overhead costs for university-based research is to permit universities to charge the same rates charged to their own state agencies. The contractor should include estimated expenses for presenting study findings at a one-day meeting at the ARC offices in Washington, D.C. This activity will be over and above routine meetings with ARC staff during the course of the project.

The contract awarded for this research project will be a FIRM FIXED-PRICE CONTRACT, with payments on a quarterly schedule. The contract terms shall remain firm during the project and shall include all charges that may be incurred in fulfilling the terms of the contract.