Evaluation of Grant Performance Measurement Practices (RFP)

February 4, 2020
The Appalachian Regional Commission Request for Proposals:

*Evaluation of Grant Performance Measurement Practices*

Open Date: February 4, 2020  
Proposal Due Date: March 10, 2020  
Selection Date: April 30, 2020  
Contract Period: May 1, 2020–January 31, 2021

I. **Overview of Request for Proposals**

The Appalachian Regional Commission (ARC) invites proposals from qualified consultants to assess ARC’s current grant performance measurement system and conduct a scan of performance measurement practices at other grantmaking organizations.

ARC funds approximately 500 grants a year in an effort to help the Appalachian Region (Region) achieve socioeconomic parity with the nation. Grants fund projects in areas such as business development, education and job training, telecommunications, infrastructure, community development, housing, and transportation. These projects create thousands of new jobs, improve local water and wastewater systems, train the Region’s workforce, assist local communities with strategic planning, and provide entrepreneurial assistance to emerging businesses. ARC has a longstanding performance measurement and evaluation system to assess the impact of its grants.

This evaluation will include input from ARC staff and stakeholders, selection of model grantmaking organizations whose grant management practices exemplify best practices, and a scan of performance measurement practices at those organizations.

Critical questions for this evaluation include:

- How do model grantmaking organizations collect and track information about grant performance before, during, and after grant implementation? What resources/tools do their grantees use for data tracking? How frequently do their grantees report on grant performance?
- What processes do model grantmaking organizations have in place for addressing problems in performance measurement reporting?
- How do model grantmaking organizations ensure continued performance reporting from grantees after a grant has closed? How do they maintain updated contact information for grantees after grant closeout?
- What methods (if any) do model grantmaking organizations have for getting feedback or outcome data directly from beneficiaries of grant-funded projects (i.e., grantee clients)?
- In cases where a grantee has multiple sources of funding, how do organizations address attribution when assessing the organization’s impact on the grant’s success?
How do model grantmaking organizations assess and support the capacity of grantees to monitor performance data?
How do model grantmaking organizations use grant performance information to improve their programs and operations?
How have model grantmaking organizations improved their performance tracking methods? Are there any lessons learned? Have they faced setbacks or pushback when attempting to implement changes?

Required deliverables include a final report that summarizes key findings and includes recommendations to improve the ARC performance measurement system, as well as a roadmap for implementing changes.

A complete first draft must be submitted to ARC within 9 months of the project’s start. A kickoff meeting with the selected contractor and a final presentation to ARC staff must be included, along with a schedule for interim check-in calls and deliverables. The selected consultant will work closely with ARC staff in the development of this report.

A Microsoft Word file and an Adobe PDF file must be submitted on completion of the project. A software version of all relevant databases compiled during the study (including all raw data) and edited datasets must also be submitted at this time.

II. Background

About Appalachia

The Appalachian Region, as defined in ARC’s authorizing legislation, is a 205,000 square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It includes all of West Virginia and parts of 12 other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia. Forty-two percent of the Region’s population is rural, compared with 20 percent of the national population.

The Appalachian Region’s economy, which was once highly dependent on extractive industries, has become more diversified in recent times and now includes larger shares of manufacturing and professional services, among other industries. Appalachia has made significant progress over the past five decades: Its poverty rate, which was 31 percent in 1960, fell to 16.3 percent over the 2013–2017 period. The number of high-poverty counties in the Region (those with poverty rates greater than 1.5 times the U.S. average) declined from 295 in 1960 to 98 over the 2013–2017 period.
These gains have transformed the Region from one of widespread poverty to one of economic contrasts. Some communities have successfully diversified their economies, while others still require basic infrastructure such as roads, clinics, and water and wastewater systems. The contrasts are not surprising in light of the Region’s size and diversity—the Region extends more than 1,000 miles from southern New York to northeastern Mississippi, and is home to more than 25 million people.

**About the Appalachian Regional Commission**

The Appalachian Regional Commission is a regional economic development agency serving 420 counties across the Appalachian Region. Established by an act of Congress in 1965, the Commission is composed of the governors of the 13 Appalachian states, as well as a federal co-chair appointed by the president and confirmed by the Senate. Annually, the group of governors elect one governor to serve as the states’ co-chair. To strengthen local participation, ARC works with the Appalachian states to support a network of multicounty planning and development organizations, or local development districts (LDDs), throughout the Region. The 73 LDDs cover all 420 counties in the Region. The LDDs help identify needs of local communities, assist with participation in ARC programs, and at times serve as pass-through entities or fiscal agents to local grantees.

ARC’s current mission is to innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia to help the Region achieve socioeconomic parity with the nation. ARC funds projects that address the five goals identified in the Commission’s strategic plan:

1. Invest in entrepreneurial and business development strategies that strengthen Appalachia’s economy.
2. Increase the education, knowledge, skills, and health of residents to work and succeed in Appalachia.
3. Invest in critical infrastructure—especially broadband; transportation, including the Appalachian Development Highway System; and water/wastewater systems.
4. Strengthen Appalachia’s community and economic development potential by leveraging the Region’s natural and cultural heritage assets.
5. Build the capacity and skills of current and next-generation leaders and organizations to innovate, collaborate, and advance community and economic development.

Each year, ARC provides funding for approximately 500 projects in the Appalachian Region in areas such as business development, education and job training, telecommunications, infrastructure, community development, housing, and transportation. These projects create thousands of new jobs, improve local water and wastewater systems, train the Region’s workforce, assist local communities with strategic planning, and provide entrepreneurial assistance to emerging businesses.
Additional information about the Appalachian Regional Commission can be found at www.arc.gov.

**ARC’s Role as Federal/State Commission**

One of ARC’s key roles as a unique federal-state partnership is to facilitate collaboration among the federal government, the states, local governments, and private citizens. As a federal/state commission, ARC has a collaborative political structure that requires coordination among the federal and state partners as well as agreement on certain issues. For example, each state must consent to a project within its borders, and no project can be funded without the approval of the federal co-chair. Program direction and policy are established by a vote of a majority of the state members and the affirmative vote of the federal co-chair. ARC and the 13 states share other responsibilities such as providing administrative expenses.

ARC often follows the spirit of federal requirements even when the requirements are not applicable. For example, ARC takes into consideration the Government Performance and Results Act (GPRA), which requires federal agencies to submit a report to Congress on actual program results at the end of each fiscal year, even though the GPRA does not apply to ARC because ARC is not a federal agency as defined in that act.

The grant application process reflects the federal-state partnership. Individual states set funding priorities in alignment with ARC’s strategic plan, and as such, may limit ARC funding to specific areas. Most grants originate at the state level. Potential applicants vet project ideas and application materials with their ARC state program manager. The local development district serving the county in which the applicant is located may provide assistance in preparing the grant application. Grant applications are reviewed and approved at the state level before being sent to ARC for approval.

Since 2015, ARC has been implementing a new competitive grant program (POWER) in which project applications are sent directly to ARC, without first being approved by the state. These grants are awarded through requests for proposals posted on the ARC website as they are issued.

ARC grants fall into one of three categories: grants awarded and administered directly by ARC; grants awarded by ARC and administered by a registered state basic agency; and grants awarded by ARC and administered by a federal basic agency. The latter two categories of grants include projects involving significant construction.

**About ARC’s Performance Measurement System**

ARC has a longstanding performance measurement and evaluation system which contains the following elements:

- **Grantee Performance Measures.** As part of the grant application process, grantees submit projected outputs and outcomes, which are selected from a standardized list of
ARC performance measures (available on ARC’s website).

- **Performance Estimates.** ARC calculates total performance estimates across all grants with like performance measures. These estimates are compared to annual targets for projects to be funded within a given fiscal year, as set in the Strategic Plan.

- **Grant Closeout Reporting.** At the closeout of a grant, grantees report what their actual outputs and outcomes are. However, given that many grants continue to have an impact after closeout, these outputs and outcomes are not considered to be final.

- **Performance Verification.** In an effort to get a more accurate picture of grant impact, ARC follows up with a subset of grantees one to three years after the closeout of their grants to get updated numbers. This follow-up may consist of phone calls or site visits.

- **Performance Accountability Report (PAR).** Performance estimates and verified post-closeout numbers are included in the annual Performance and Accountability Report, or PAR, ARC’s annual report to Congress that outlines program highlights, finances, and performance.

- **Program Evaluation.** ARC hires independent, external contractors to conduct program evaluations of ARC initiatives and programs. Similar to the performance verification process, program evaluations entail following up with grantees post-closeout to obtain final outputs and outcomes. Contractors also solicit grantee or other stakeholder feedback and collect other data as relevant, to assess how effectively grants were implemented and to what extent the grants achieved their objectives. Past evaluation reports can be found on ARC’s website.

ARC recently conducted a scan of past program evaluation reports and found recurring themes in the recommendations across multiple evaluations regarding performance measurement:

- Standardize record-keeping.
- Build outcome evaluation into the grant application.
- Regularly collect information on the impacts of grants after grant closeout.
- Provide resources/tools for grantee data collection.

An additional scan of reports from ARC’s Office of Inspector General revealed recurring findings in the areas of data validity and data transparency.

**Current ARC and Federal Initiatives**

The following internal and external initiatives may have an impact on ARC’s approach to performance measurement and/or the approach to data collection for this project.

**ARC Strategic Plan**

ARC’s current strategic plan expires in Fiscal Year (FY) 2020. ARC is undertaking the process of developing a new strategic plan to guide ARC activities and investments in Appalachia from FY 2021–2025. Strategic planning activities will include work planning (December 2019 to
February 2020), listening and input (March to May 2020), synthesis and options (May to June 2020), and consensus and strategy (July to October 2020).

**ARCnet Update**

ARCnet, ARC’s grants management database, is undergoing an extensive upgrade throughout FY 2020, with the goal of shifting the entire lifecycle of the grant process—from application to closeout—onto a digital platform, as well as improving efficiency and user-friendliness for staff and grantees. While the contracted project will close in November 2020, development will continue in-house on an ongoing basis.

**Evidence Act**

The Foundations for Evidence-Based Policymaking Act of 2018, or Evidence Act, outlines new requirements for certain federal agencies and strongly encourages adherence to the guidelines by other agencies as well. The purpose of the act is to advance data and evidence-building functions in the federal government. While ARC is not bound by these requirements, guidance issued by the United States Office of Management and Budget (OMB) may inform the ARC performance measurement system, particularly in the areas of evaluation capacity and integration of evaluation findings into decision-making.

**Cross-Agency Priority 8: Results-Oriented Accountability for Grants**

The President’s Management Agenda includes Cross-Agency Priority 8: Results-Oriented Accountability for Grants. Of particular relevance to this RFP is Strategy 4: Achieving Program Goals and Objectives, which aims to “hold recipients accountable for good performance practices that support achievement of program goals and objectives; and streamline burdensome compliance requirements for those that demonstrate results.” Several recent and upcoming milestones for this strategy align with the goals of this RFP. In FY 2019, an agency performance practices survey was administered to 24 federal awarding agencies overseeing over 100 programs, and a draft performance management framework was developed. A planned milestone for the second quarter of FY 2020 is a published resource that will “promote a common understanding of performance practices and tools that includes promising practices and templates to improve grant recipient and program performance.”

**III. Scope of Work**

The goal of this project is to provide ARC with a framework for updating our performance measurement system to ensure that it:

- Provides an accurate picture of short- and long-term grant outcomes and ARC’s impact
- Provides actionable data that informs ARC’s work and leads to improved grant performance
- Is streamlined and user-friendly for staff, grantees, and other stakeholders
This project aims to achieve the above goals by (1) describing and assessing ARC’s current grant performance measurement practices and (2) learning about exemplary practices implemented by model grantmaking organizations; that is, organizations whose grant management practices exemplify best practices.

Proposals should include an outline of the research and analysis to be conducted, a work plan, and a schedule for reports and deliverables. The final report will contain three major components addressing the following questions:

1. Description and assessment of ARC’s current performance measurement system
   - What are the components of ARC’s current performance measurement system? (Provide a description of the system.)
   - What are the strengths of the current system, and what are areas to consider for improvement?

2. Description of performance measurement practices at model grantmaking organizations
   - How do model grantmaking organizations collect and track information about grant performance before, during, and after grant implementation? What resources/tools do their grantees use for data tracking? How frequently do their grantees report on grant performance?
   - What processes do model grantmaking organizations have in place for addressing problems in performance measurement reporting?
   - How do model grantmaking organizations ensure continued performance reporting from grantees after a grant has closed? How do they maintain updated contact information for grantees after grant closeout?
   - What methods (if any) do model grantmaking organizations have for getting feedback or outcome data directly from beneficiaries of grant-funded projects (i.e., grantee clients)?
   - In cases where a grantee has multiple sources of funding, how do organizations address attribution when assessing the organization’s impact on the grant’s success?
   - How do model grantmaking organizations assess and support the capacity of grantees to monitor performance data?
   - How do model grantmaking organizations use grant performance information to improve their programs and operations?
   - How have model grantmaking organizations improved their performance tracking methods? Are there any lessons learned? Have they faced setbacks or pushback when attempting to implement changes?
3. Recommendations

- What are suggestions for improving the ARC performance measurement system so that it
  - Provides an accurate picture of short- and long-term grant outcomes and ARC’s impact
  - Provides actionable data that informs ARC’s work and leads to improved grant performance
  - Is streamlined and user-friendly for staff, grantees, and other stakeholders

- What is a suggested roadmap for implementing changes, including considerations such as cost/resources, timing, communication, and technical assistance for ARC staff and stakeholders?

IV. Methodology

The successful applicant will develop a feasible methodology to complete the scope of work within the given timeframe. Methodology should include the following:

- Input from ARC grant management staff, ARC state representatives, local development district staff, and ARC grantees
  - Stakeholder input may include surveys, interviews, focus groups, or other methods. ARC is particularly interested in suggestions for focus groups or similar group-based feedback, as the types of questions to be explored (for example, experience with data management) lend themselves to the interaction and idea-sharing that may occur in a group format. A challenge with this approach is that ARC grantees are located throughout a 13-state region. Possible approaches include virtual focus groups or live focus groups at ARC events such as convenings or the annual summit.

- Selection of model grantmaking organizations
  - Selected organizations will consist of local, state, and/or federal government agencies; foundations; nonprofits; or other types of organizations that provide grants, who engage in exemplary grant performance measurement practices.
  - Criteria for selection of model grantmaking organizations will be developed in conjunction with ARC.

- Scan of performance measurement practices at model grantmaking organizations.
  - This may include document/website reviews, surveys, interviews, or other means of collecting information about how model organizations measure grant performance.

Proposals may offer other methodological approaches as needed.
V. Technical, Management, and Cost Proposal Contents

A. Technical Proposal

This section should not exceed 15 pages, not including the abstract, accompanying resumes, and organizational background materials.

1. Summary Abstract (300 words)

In this section, provide a brief abstract of the proposal by summarizing the background, objectives, proposed methodology, and expected outputs and results of this project.

2. Methodology

Describe the approach or methods intended to accomplish all the tasks specified in this RFP. The proposal should identify the tasks in this project that will require participation by ARC staff. Further, the proposal should identify specific information needs, including sources, procedures, and individual research tasks that may need to be performed by ARC staff. Finally, the proposal should identify any difficulties that may be encountered in this project and propose practical and sound solutions to these problems.

3. Project Work Plan and Milestones

The proposal should describe the phases into which the proposed work can be logically divided and performed, following closely the phases outlined earlier. A schedule of milestones and deadlines should be specified for the completion of various work elements, including surveys, focus groups, interviews, analyses, written progress reports, preliminary drafts for review, and final report. Monthly call-ins with ARC staff are also required.

4. Key Personnel

Personnel performing the work must be described in this section, including the number of people and their professional classifications (e.g., project director, meeting facilitator, analyst, business consultant, writer, etc.). Brief resumes of the education and relevant experience of all 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 research will be considered in the proposal selection process.

1. Business Management Organization and Personnel

Furnish a brief narrative description of the organization, including the division or branch planned
to perform the proposed effort, and the authority responsible for controlling these resources and personnel.

2. **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 and subcontractors.

3. **Relevant Prior Experience**

The proposal must describe the qualifications and experience of the organization and the personnel to be assigned to the project. Information provided should include direct experience with the specific subject-matter area and must provide examples (via web links and/or printed materials) of the three most similar projects undertaken by the applicant’s organization and the extent to which performance goals were achieved. Provide client organization names and addresses, names of contact persons, and telephone numbers for reference.

4. **Contract Agreement Requirements**

This section of the proposal should contain any special requirements that the contractor wants included in the contract.

**C. Cost Proposal**

The contract awarded for this project will be a FIRM FIXED-PRICE CONTRACT, with a total budget not to exceed $200,000. Payments shall be made on a monthly or quarterly schedule (depending on contractor preference). 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.

Proposals must contain all cost information, including direct labor costs (consistent with the staffing plan), labor overhead costs, transportation, estimated cost of any subcontracts, other direct costs (such as those for databases), university overhead, total direct cost and overhead, and total cost and fee or profit.

ARC requests that the selected contractor formally present and discuss study findings with key ARC officials in Washington, D.C. An initial kick-off meeting in Washington, D.C. with ARC staff is also required. These activities will be over and above routine meetings with staff during the course of the project, and the contractor should price its part in this activity separately, assuming travel to Washington for two one-day meetings.
ARC policy on allowable indirect overhead costs for university-based contracts is to permit universities to charge the same rates charged to their own state agencies.

VI. Proposal Submission

Proposals are due on or before 5:00 p.m. EST on March 10, 2020.

Please send proposals as one Word or PDF file to:

Regina Van Horne  
Program Evaluator  
Division of Research and Evaluation  
Appalachian Regional Commission, Washington, DC  
202-884-7754  
rvanhorne@arc.gov

Additionally:

- Telephone or fax responses will not be accepted for this RFP.
- Submissions MUST be sent via email.
- Responses or unsolicited amendments will not be accepted after the closing date and time.
- Requests for time extensions past any deadlines will not be considered.

VII. Proposal Evaluation

ARC will select contractors through a competitive process based on the following criteria:

- A complete, clearly articulated study design and technically competent methodology
- Thorough and feasible plan for collecting data
- Qualifications and relevant prior experience evaluating grant performance in federal and non-federal settings
- Knowledge of federal regulations and initiatives related to grants management and performance measurement
- Knowledge of grants performance measurement practices in non-governmental organizations
- A credible management proposal for staffing, and the capability to carry out and support the project in a timely fashion
- Cost effectiveness of the proposal

It is anticipated that the contractor will be selected by April 30, 2020 for estimated contract start date of May 1, 2020 and completion date of January 31, 2021.