

The Appalachian Regional Commission

Request for Proposals

**State of the Region: Examining Changes to the Appalachian
Region Since 1965**

**Proposals are due on or before the close of business
October 9, 2013**

Appalachian Regional Commission
1666 Connecticut Ave., NW, Suite 700
Washington, D.C. 20009-1068

Attention: Julie Marshall
jmarshall@arc.gov
202-884-7790

Appalachian Regional Commission Request for Proposals: State of the Region: Examining Changes to the Appalachian Region Since 1965

I. Overview of Request for Proposals

Since the creation of the Appalachian Regional Commission (ARC) in 1965, the Appalachian Region has witnessed enormous changes, including a more diversified economy, a reduction in both poverty rates and the number of economically distressed counties, and improved transportation networks. But despite this progress, many Appalachian communities still do not enjoy the same economic vitality as the rest of the nation. In some areas of the Region, concentrations of high poverty, stubborn unemployment, physical isolation, and lack of access to basic infrastructure and health care services still persist.

The Appalachian Regional Commission (ARC) invites proposals from qualified researchers and consultants to **examine significant structural and socioeconomic changes to the Appalachian Region since 1965 and determine to what extent ARC's economic development investments have contributed to these changes**. The purpose is to quantify and document changes to the Region during this time period, to evaluate ARC's contribution to the Region's economic development during this time period, and to determine to what extent Appalachia still remains "a region apart," geographically and statistically, from the rest of the nation. The final product will be a research report to be released by December 2014, as ARC prepares to commemorate the 50th anniversary of its inception.

There are four key components to this major research project.

1. First, proposals must outline a methodology for conducting an economic impact analysis of ARC's regional economic development investments since 1965. The proposals must detail the methodology and framework for estimating the total economic impact of ARC's expenditures, both at the state level and aggregated to the entire Appalachian Region. ARC will provide the direct ARC, state and local government, and leveraged private expenditures by broad program area, state, and year to the selected contractor. Where possible, the analysis should relate successful economic development to the implementation of ARC-supported projects in one or more of ARC's major program areas: the Appalachian Development Highway System (ADHS) and access roads; water and wastewater infrastructure; community development; education and job training; health; business development; housing; child development; local development district planning and administration; research and technical assistance; environment and natural resources; and leadership and civic capacity.
2. Second, proposals must outline a methodology for documenting and analyzing socioeconomic and structural changes and development patterns in the Region since 1965. These changes can include any demographic, socioeconomic, physical, transportation-based, amenity-based or other quality-of-life factors.

This must be accompanied by compelling visuals, including maps, charts, infographics, photographs, satellite images, and other graphics as needed to illustrate the development of the Region.

3. Third, proposals must outline a methodology for conducting qualitative research to complement the significant quantitative analysis in components one and two. This can include interviews, focus groups, surveys, and/or case studies of counties or communities within the Region that are most representative of the themes highlighted in the first two components.
4. Fourth, proposals must summarize and integrate key findings from the first three research components and highlight areas of continued need for economic investment, with a particular emphasis on those counties that are designated by ARC as economically distressed or at-risk of becoming economically distressed.

The ultimate aim of this research project is to provide an overall assessment of regional change in Appalachia and of ARC's contribution to the economic development of the Region during the fifty years of the agency's existence. This will require a team of researchers with a broad range of expertise, including economists, data analysts, cartographers, and historians, as well as writers capable of weaving this significant and diverse range of topics into a cohesive, well-documented, and visually appealing report.

The final product will be a detailed written report submitted to ARC within one year of project start. Although the subject matter is highly technical, the report should be written for a non-technical audience, and should relate the narrative discussion to descriptive statistics, analyses, graphs, maps, and tables where appropriate. The selected contractor will work closely with ARC in the development of this report. An advisory team of experts throughout Appalachia The selected contractor might consider putting together an advisory team of experts throughout Appalachia; this approach would be helpful in providing content, ideas, and guidance on the final product. Creative approaches to content and presentation are encouraged.

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 Region's economy, once highly dependent on mining, forestry, agriculture, chemical industries, and heavy industry, has become more diversified in recent times, and now includes a variety of manufacturing and service industries. In 1965, one in three Appalachians lived in poverty; in 2008, the Region's poverty rate was 18 percent. The

number of high-poverty counties in Appalachia (counties with poverty rates at least 1.5 times the national average) was 295 in 1960; in 2011 that number was 108. 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 and water and sewer systems. The contrasts are not surprising in light of the Region's size and diversity—the Region includes 420 counties in 13 states, 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

In the mid-1960s, at the urging of two U.S. presidents, Congress enacted legislation to address the persistent poverty and growing economic despair of the Appalachian Region. The Appalachian Regional Commission is a regional economic development agency that represents a partnership of federal, state, and local government. Established in 1965, ARC is composed of the governors of the 13 Appalachian states and a federal co-chair, who is appointed by the president. Local participation is provided through multi-county local development districts.

ARC's mission is to be a strategic partner and advocate for sustainable community and economic development in Appalachia. ARC funds projects that address the four goals identified in the Commission's strategic plan:

1. Increase job opportunities and per capita income in Appalachia to reach parity with the nation.
2. Strengthen the capacity of the people of Appalachia to compete in the global economy.
3. Develop and improve Appalachia's infrastructure to make the Region economically competitive.
4. Build the Appalachian Development Highway System to reduce Appalachia's isolation.

Each year ARC provides funding for several hundred 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 sewer systems, increase school readiness, expand access to health care, assist local communities with strategic planning, and provide technical and managerial assistance to emerging businesses.

In many cases, the Commission functions as a predevelopment agency, providing modest initial funding that is unavailable from other sources. ARC funds attract capital from the private sector and from other public entities. In fiscal year 2012, approximately 400 non-highway projects were approved; ARC funds accounted for \$66 million of the more than \$200 million in total funding for these projects

For additional information on Appalachia and the Appalachian Regional Commission, see the ARC Web site at www.arc.gov.

III. Scope of Work

Proposals must present an outline of the research and analysis to be conducted, a work plan, and a schedule for reports and deliverables. The scope of work requires a team of researchers and consultants with a broad set of skills to execute the project.

In addition, the proposals would be well served by a critical literature review of regional economic research on development in Appalachia and the rest of the nation to understand the current state of knowledge on these topics. Proposals must include a synthesis of ARC-sponsored research to help guide knowledge of regional economic development over the decades. See www.arc.gov/research for data, research, and economic reports on Appalachia commissioned by ARC.

Previous reports that contractors may find useful include the following:

Progress and Challenges in Reducing Economic Distress in Appalachia: An Analysis of National and Regional Trends Since 1960, January 2000.
http://www.arc.gov/research/researchreportdetails.asp?REPORT_ID=63

Trends in National and Regional Economic Distress: 1960-2000, April 2005.
http://www.arc.gov/research/researchreportdetails.asp?REPORT_ID=28

Strategies for Economic Improvement in Appalachia's Distressed Rural Counties: An analysis of ten distressed and formerly distressed Appalachian counties, May 2012.
http://www.arc.gov/research/researchreportdetails.asp?REPORT_ID=98

ARC Performance and Accountability Report, Fiscal Year 2012
www.arc.gov/images/newsroom/publications/fy2012par/FY2012PerformanceandAccountabilityReport.pdf

The research analysis would benefit from seminars, consultations, or other activities that would allow researchers and peers to review and interpret the findings of the work; therefore proposals must reflect the budget and time requirements for such activities.

While this project will involve considerable research of academic interest, those responding to this proposal should note that the main audiences for this work are the development practitioners and communities of the Appalachian Region.

IV. Deliverables

The contract will require a final report with an executive summary that integrates, summarizes, and interprets key findings of the study. The report must be written for a non-technical audience and relate the narrative discussion to descriptive statistics, analyses, graphs, maps, and tables where appropriate. Technical details, data tables, and details regarding methodology must be presented in appendices.

A printed copy of the report suitable for reproduction and an electronic file copy must be submitted upon completion of the project (in Microsoft Word and Adobe file formats).

These must be accompanied by an Excel workbook or Access database of all relevant data compiled during the study. The contractor will provide metadata (field name description, definition, source, sourced date, and equation if computed) for all raw and computed data fields. Geographic information system mapping databases, map images, and map documents developed for the project must also be provided to ARC. ARC will provide the selected contractor with formatting guidance documents for all reports.

Consideration should be given as to how tabular and graphic information will be integrated into the narrative structure of the report. Given the complex and evolving geographic boundaries of the Appalachian Region during the past 50 years of development, mapping of findings will be essential to summarizing and presenting the research results. All maps must be accompanied by well-documented supporting databases.

V. Methodology

The successful applicant will develop a detailed methodology to analyze the topics specified in the scope of work.

The methodology should include:

- A detailed description of the framework, data requirements, etc., necessary to perform an economic impact analysis of ARC's expenditures in the Appalachian Region since 1965. The analysis outputs must include changes in both personal income and gross state product, as well as any other measures the contractor deems feasible. Because ARC is often one of many agencies providing funds to projects, particular care must be taken when analyzing the impacts of ARC's expenditures. Results must be reported both at the state level and aggregated to the entire Appalachian Region.
- Specification of data sets and methods to be used for each of the proposed analyses, including appropriate time-series and geographical or spatial relationships, including the relationship between the Appalachian Region or subregions and influential metropolitan areas outside the Region's formal boundaries.
- Discussion of the scope, limitations, and coverage of data sources.
- Preliminary description of the research method(s) and statistical techniques for conducting each of the analyses proposed, and the advantages and limitations of the selected approach, given the budget constraint.
- Preliminary protocols for selecting and conducting interviews, focus groups, and/or case studies of representative counties and communities.

Proposals can offer additional methodological approaches as needed. Creative and innovative approaches are encouraged.

In keeping with the overall budget constraint and timing for this project, proposals may present trade-offs among tasks, as long as the research design can ensure the accomplishment of main research objectives within the given time period.

VI. Technical, Management, and Cost Proposal

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

1. Summary Abstract (300 words)

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

2. Methodology

Describe the step-by-step approach or methods intended to accomplish all the tasks specified in this RFP. This section should provide a detailed explanation of the methodologies to be used, describe the limits of the selected methods, and justify why the methods were selected over others. The narrative must identify the points and tasks in this research project that will require participation by the Commission and ARC staff. Finally, the narrative must 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

This section should describe the phases into which the proposed research can be logically divided and performed together. Flow charts should be included as necessary. A schedule of milestones and deadlines must 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.

4. Key Personnel

Personnel performing the research must be described in this section in terms of numbers of people and their professional classification (e.g., project director, economist, analyst, statistician). 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 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 research reports undertaken by the applicant's organization, and the extent to which performance goals were stated and achieved. Provide associated organization names, 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

This section must include all cost information. The cost information must be itemized and must include direct labor costs (consistent with the staffing plan), labor overhead costs, transportation (if anticipated), the 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.

In addition, ARC requires that the selected contractor will formally present and discuss study findings with key Appalachian officials in Washington, D.C. This activity will be in addition to routine meetings with ARC staff during the course of the project, and proposals must include a separate cost for this activity, assuming travel to a one-day meeting.

VII. Cost and Timing

ARC rates this RFP as a **major research project**, according to the Commission's rating of the level of effort for conducting research:

Major research projects: \$250,000-\$300,000

Large-scale projects: \$150,000-\$249,000

Medium-scale projects: \$75,000-\$149,000

Small-scale projects: \$26,000-\$74,000

Sole-source projects: under \$25,000

The contract awarded for this research project will be a FIRM FIXED-PRICE CONTRACT, with payments on a quarterly schedule. The contract scope of work, budget, and timeframe shall remain firm during the project. Given the time-urgency of this project, no time extensions will be granted.

VIII. Evaluation of Proposals

All proposals will be evaluated based on the following criteria:

- Complete, clearly articulated, logical study design; and technically competent methodology;
- 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 the capability to carry out and support the project in a **timely** fashion;
- The quality of interviews, focus group, surveys and/or case study protocols proposed.
- The cost effectiveness of the proposal.

IX. Proposal Submission

Proposals are due on or before the close of business on Wednesday, October 9, 2013.

An original and three hard copies of the proposal must be submitted to:

Julie Marshall, Senior Economist
Regional Planning and Research Division
Appalachian Regional Commission
1666 Connecticut Ave., NW, Suite 700
Washington, D.C. 20009-1068

In addition to the hard-copy submission, *proposals must also be e-mailed on or before the deadline* to jmarshall@arc.gov. E-mail attachments should be no more than 10 MB.

Questions about this proposal should be directed to Julie Marshall, ARC senior economist, at jmarshall@arc.gov, or 202-884-7790.