

**Appalachian Regional Commission  
Request for Proposals**

**Strengthening Economic Resilience in Appalachian  
Communities**

**Proposals are due on or before 5:00 p.m. EDT  
August 31, 2016**

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## **The Appalachian Regional Commission Request for Proposals: Strengthening Economic Resilience in Appalachian Communities**

### **I. Overview**

The Appalachian Regional Commission (ARC) invites proposals from qualified research teams to explore economic resilience in both the Appalachian Region and the nation as a whole. Research will include developing a framework to analyze economic resilience, analyzing and comparing successful strategies to restructure local economies and strengthen economic resilience; identifying up to 10 counties or multi-county regions that have successfully recovered from major industry loss, for in-depth case study analysis; and customizing a detailed set of strategies that can be implemented in communities throughout the Appalachian Region to strengthen economic resilience. This research project must build on existing literature and current programs and policies within and beyond Appalachia that are focused on strengthening economic resilience.

Recognizing the recent decline in the coal mining industry and broader energy transitions, the U.S. Economic Development Administration (EDA) and ARC are collaborating to assist coal-impacted communities in Appalachia through the federal [POWER](#) (Partnerships for Opportunity and Workforce and Economic Revitalization) Initiative. ARC is making available \$45 million for POWER implementation grants in FY 2016, to be awarded in partnership with EDA. The grants are focused on supporting efforts to increase economic diversity, enhance job training, create new jobs, and attract new sources of investment.

The economies of many counties and subregions in Appalachia have historically been dependent on a few dominant industries, such as mining or manufacturing. One critical aspect of the POWER Initiative is understanding how coal-impacted communities can transform and diversify their economies, and build resilience against future economic shocks. Changes in the coal mining industry and its related supply chain have fundamentally altered the economic landscape for many communities. This research will explore and document strategies and policies local leaders can use to enhance the future economic prospects of coal-impacted communities throughout the Appalachian Region.

There are four key components of this research project:

1. Develop a comprehensive framework to analyze economic resilience. This quantitative analysis will be used to explore the concept of resilience as it relates to major industry loss within a local economy. The framework will be the basis from which candidate counties or multi-county regions are chosen for a series of in-depth case studies.
2. Identify a series of best-practice strategies for strengthening local economic resilience. Each strategy must be described in detail, including examples of where and how the strategy has been successfully implemented, key factors and

conditions necessary to implement the strategy, resources (financial and in-kind) necessary for the strategy, and the partners and stakeholders in charge of implementing the strategy. These best-practice strategies must draw on existing literature, and focus on rural development programs and initiatives within and outside the Appalachian Region.

3. Drawing from results of the key components above, identify as many as 10 counties or multi-county regions from across the country for in-depth case studies. Candidates for the case studies must have experienced a major economic loss (e.g., loss of major manufacturing plant, military base closure, collapse of local economic base) and then successfully used a number of strategies to restructure their economy, create new jobs, and strengthen their economic resilience.
4. Use the findings from the best-practice strategies and the results from the in-depth case studies to recommend best-practice strategies to strengthen economic resilience in coal-impacted communities in the Appalachian Region. This last component must identify how and when best-practice strategies can be implemented in Appalachia, with a focus on rural distressed counties that have experienced a major economic loss as a result of changes in the coal industry and/or energy sector. The product of this task is envisioned as a resource for local economic development practitioners in Appalachia, to help them strategically select and modify economic resilience strategies to create stronger, more prosperous, and sustainable local economies.

Proposals must present a systematic, comprehensive methodology for analyzing economic resilience and a strong knowledge of existing research findings, initiatives, and programs related specifically to the challenges and opportunities in rural areas of Appalachia. Of particular interest are methods for analyzing economic resilience and its relationship to future economic growth opportunities; linkages between rural and adjacent urban areas; strategies that emphasize triple bottom line impacts (economic, environmental, social); entrepreneurship and small-business development; regional (multi-county) strategies; and catalyst projects. The best-practice strategies must outline and identify key social, educational, political, and institutional factors that are integral to successfully strengthening economic resilience. Proposals must emphasize how to apply rigorous, data-driven analysis and best-practice strategies to improve the economic prospects of rural, distressed Appalachian counties and/or multi-county regions.

The final product will be a detailed, written report and executive summary submitted to ARC within 9-12 months of the project start. Preference will be given to proposals that outline a completion schedule of 9 months.

## **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 Appalachian residents lived in poverty; during the 2010-2014 period, the Region’s poverty rate was around 17 percent. Approximately 70 percent of Appalachian counties (295 of 420) were considered high poverty (at least one and a half times the U.S. average) in 1960; during the 2010–2014 period, that number went down to 91.

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 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 (ARC) is a regional economic development agency that represents a partnership of federal, state, and local government. Established by an act of Congress 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 innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia. 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 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.

For additional information about Appalachia and the Appalachian Regional Commission see [ARC's Web site](#).

Significant resources are available to inform and guide this research project, and ARC fully expects that the selected consultant will benefit from and synthesize the most useful and relevant existing information available.

See ARC's [Research, Maps, and Data Web site pages](#) for data, research, and reports on the Appalachian Region.

A brief sample of existing research relevant to this topic includes:

- [A 2014 report commissioned by ARC examining economic diversity in Appalachia](#)
- [The Appalachian Region: A Data Overview from the 2010-2014 American Community Survey](#)
- [Resources available as part of the the National Association of Counties' Resilient Counties Initiative](#)
- [Reports and resources available at the Economic Development Administration](#)

### **III. Scope of Work**

Proposals must present an outline of the research and strategy development to be conducted, a work plan, and a schedule for reports and deliverables. The scope of work requires a team of researchers and economic development consultants from a research institution and/or consulting firm to execute the project. The following issues must be incorporated or addressed in the design of proposals for this research project. ARC encourages creative approaches to address economic resilience in rural, distressed counties in Appalachia.

The scope of work must specifically address the following tasks:

1. Conduct a thorough literature review on economic resilience that will inform tasks (2) and (3) below.
2. Develop a quantitative, data-driven framework to measure economic resilience in counties, including identification or ranking/grouping of counties or multi-county regions based on economic resilience metrics. In particular, this framework shall provide the basis for selection of counties or multi-county regions for further analysis through in-depth case studies.
3. Compile a broad list of strategies and best practices for strengthening economic resilience, particularly in rural areas, with a number of best-practice examples from Appalachia and from other regions whose experiences are relevant to Appalachia. Examples of topics and issues to be addressed and considered include:
  1. Strategies used in counties or multi-county regions that are now prospering despite a major economic shock to the local economy.
  2. Programs and strategies to support and encourage economic resilience, small business development, and organic growth of industry opportunities.
  3. Roles for the private sector, the public sector, and nonprofits in encouraging economic resilience.
  4. Strategies that explicitly emphasize the triple bottom line of economic, social, and environmental factors in economic development.
  5. Catalyst projects that emphasize specific sites, infrastructure, target industries, and regional collaboration.
  6. Regional planning initiatives such as the National Association of Counties' Resilient Counties Initiative.
4. Use the framework developed in task 2 and the strategies compiled in task 3 to guide identification and selection of up to 10 counties or multi-county regions from across the nation and within Appalachia that have experienced a major economic loss ( e.g., loss of major manufacturing plant, military base closure, collapse of local economic base) and have successfully used a number of strategies to restructure their economy and strengthen their economic resilience. A series of in-depth case studies must be conducted on these counties or multi-county regions to understand the successful strategies and initiatives that were used to strengthen the economic resilience of their local economies. Methodologies could include interviews with local leaders and economic development officials to better understand how the identified county or multi-county region was able to restructure its local economy.
5. Link identified strategies to opportunities for implementation in Appalachia, with appropriate focus on strategies that can be implemented in rural, distressed counties. It is critical that this research project focus on a practical, detailed set of implementable strategies that Appalachian communities and multi-county regions can apply. Thus, it is more important to focus on a priority set of strategies with strong chances of success than on creating an exhaustive list of all possible programs.

6. A concise guidebook that interprets and integrates key findings from the tasks above, written specifically for local economic development practitioners.

Although some components of the report will be inherently technical in nature, the final report must be written for a non-technical audience, with the narrative discussion weaving together all statistics, analyses, graphs, maps, and tables where appropriate. A wide range of tabular and graphic information must be integrated in the narrative structure of the report. A final, concise executive summary of the report must integrate and interpret the key findings of the research and provide an analytical framework for understanding development implications, particularly those involving ARC resources. All detailed statistical data and methodological issues shall be organized in appendices. The research team will work closely with ARC throughout the development of this report. Creative approaches for methodology, content, and presentation are encouraged.

All deliverables listed below must be submitted on completion of the project. Deliverables include two electronic copies—a Microsoft Word file and an Adobe PDF file—of the final report, the executive summary, and the guidebook. These documents must be accompanied by an electronic version of all relevant maps, charts, tables and graphics, as well as all databases compiled during the study, including all raw data, calculated datasets, and results of statistical analyses. All maps must be accompanied by well-documented supporting databases. ARC will provide the selected research team with formatting guidance for all reports.

#### **IV. Methodology**

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

The methodology should include:

- Specification of datasets and methods to be used for each of the proposed analyses. Discussion of the scope, limitations, and coverage of data sources.
- Preliminary description of the methodologies for conducting each of the components proposed, and the advantages and limitations of the selected approach, given budgetary and time constraints.
- Preliminary protocols for selecting and conducting interviews, focus groups, and/or case studies of communities that have exhibited promising or successful approaches to strengthening economic resilience. Note that ARC will play an integral role in the selection process of these case studies, and all proposals must incorporate this aspect into their protocol development.
- Other creative or innovative approaches not described here.

Proposals can offer other methodological approaches as needed. 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 the main

research objectives of the project within the given time period. The selected research team will work closely with ARC in development of this report.

## **V. Technical, Management, and Cost Proposal Contents**

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 proposal by summarizing the background, objectives, proposed methodologies, 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. The proposal must 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 proposal must identify the points and tasks in this research project that will require participation by the Commission and ARC staff. Further, the statement shall 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 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

The proposal must describe the phases into which the proposed research can be logically divided and performed. Flow charts shall 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, written quarterly progress reports, preliminary drafts for review, and final draft reports. Monthly call-ins with ARC staff are also required.

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, business consultant). 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 requires 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 must present a chart that partitions the time commitment of each professional staff member to the project's tasks and schedule. In addition, the proposal must include a detailed description of activities for key project-related personnel and anticipated deliverables. Finally, the proposal must 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 shall 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 and addresses, names of contact persons, and telephone numbers for reference.

### 4. Contract Agreement Requirements

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

## C. Cost Proposal

Proposals must contain all cost information. The cost information shall include direct labor costs (consistent with the staffing plan), labor overhead costs, transportation (if anticipated), 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 requests that the selected research team formally present and discuss study findings with key Appalachian officials in Washington, D.C. An initial kick-off meeting in Washington, D.C., is also required. These activities will be over and above routine meetings with ARC staff during the course of the project, and the contractor must price its part in this activity separately, assuming travel to two one-day meetings.

## **VI. Cost and Timing**

The Commission rates this RFP as a **medium-scale research project** according to ARC's rating of the level of effort for conducting research: major research projects, \$250k-\$300k; large-scale projects, \$150 to \$249k; medium-scale projects, \$75k to \$149K; small-scale projects, \$26k to \$74k.

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. Given the time-urgency of this project, no time extensions will be granted.

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## **VII. 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 economic and 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 case study protocols proposed; and
- Cost effectiveness of the proposal.

### **VIII. Proposal Submission**

*Proposals are due on or before 5:00 p.m. EDT August 31, 2016*

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

Julie Marshall, Ph.D.  
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](mailto:jmarshall@arc.gov). Late submissions will not be considered. E-mail attachments shall be no more than 10 MB.

Questions about this proposal should be directed to Julie Marshall at [jmarshall@arc.gov](mailto:jmarshall@arc.gov) or at 202.884.7790.