



Appalachian
Regional
Commission

REQUEST FOR PROPOSALS

Evaluation of ARC's Business Development Grants

Open Date: June 16, 2022
Questions Due: July 1, 2022
**Answers Posted on
ARC Website:** July 8, 2022
Proposal Due Date: July 28, 2022
Selection Date: September 16, 2022
Contract Period: October 1, 2022 – September 30, 2023
(with possible extension up to March 31, 2024)

Overview of Request for Proposals (RFP)

The Appalachian Regional Commission (ARC) invites proposals from qualified consultants to assess the performance of ARC's business development grants and better understand the grant implementation experiences of grantees.

ARC funds approximately 500 grants a year, including investments that support startup entrepreneurs and small businesses focused on a variety of industries, such as manufacturing, technology, health, the arts, recreation and tourism, agriculture and food, and energy. Key areas of focus for business development grants include facilitating access to seed and growth capital and credit; growing small business/entrepreneurial support networks and ecosystems; providing technical assistance and training for business startup and development; and addressing physical infrastructure needs for entrepreneurs and small businesses, such as incubators, makerspaces, and other shared working and production spaces.

This program evaluation will examine roughly 250 grants that closed between fiscal years 2015 and 2019, representing over \$40 million in ARC funding. These projects aimed to serve roughly 20,000 existing businesses, create 1,100 new businesses, create 20,000 jobs, and leverage \$1.5 million in private investment.

The evaluation will include quantitative analysis of the grant portfolio, input from grantees, and if possible, input from grantee beneficiaries. Questions to be addressed will cover partnerships and ecosystems, grant performance, factors of successes and challenges, equity, and the impact of the pandemic.

Required deliverables include the following:

- Final report that includes key findings and recommendations
- Staff presentation, which may be conducted virtually

- Data files, including all raw data, edited datasets, and results of statistical analyses. This will include an Excel spreadsheet formatted for uploading updated grant performance data to ARC's grants management database.

Background

About Appalachia

The Appalachian Region (the Region), as defined in ARC's authorizing legislation, is a 206,000-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 30.9% in 1960, fell to 15.3% over the 2015–2019 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 297 in 1960 to 112 over the 2015–2019 period. Since the 2010–2014 period, the share of Appalachian adults ages 25 and over with at least a high school diploma has risen more than two percentage points, to 87 percent in 2015–2019. The high school completion rate for the Region is now almost equal to that of the country.

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, health clinics, and water and wastewater systems. The contrasts are not surprising in light of the Region's size and diversity—it extends more than 1,000 miles and is home to 26 million people.

About the Appalachian Regional Commission

The Appalachian Regional Commission (ARC) is a regional economic development agency serving 423 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 elects 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. Seventy-four LDDs cover all 423 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 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 its strategic plan:

1. Strengthen and diversify the Region's economy through inclusive economic development strategies and investments in entrepreneurship and business development.
2. Expand and strengthen community systems (education, healthcare, housing, childcare, and others) that help Appalachians obtain a job, stay on the job, and advance along a financially sustaining career pathway.
3. Ensure that the residents and businesses of Appalachia have access to reliable, affordable, resilient, and energy efficient utilities and infrastructure in order to successfully live and work in the Region.
4. Strengthen Appalachia's community and economic development potential by preserving and investing in the Region's local, cultural heritage, and natural assets.
5. Invest in the capacity of local leaders, organizations, and communities to address local challenges by providing technical assistance and support to access resources, engage partners, identify strategies and tactics, and conduct effective planning and project execution.

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.

About ARC's Business Development Grants

Collaborative and inclusive approaches to economic development in Appalachia are essential to supporting the Region's businesses and industries and ensuring economic opportunity for its residents. Entrepreneurship and small business development are cornerstones of the Appalachian economy. ARC investments support startup entrepreneurs and small businesses focused on a variety of industries, such as manufacturing, technology, health, the arts, recreation and tourism, agriculture and food, and energy.

Key areas of focus include facilitating access to seed and growth capital and credit; growing small business/entrepreneurial support networks and ecosystems; providing technical assistance and training for business startup and development; and addressing physical infrastructure needs for entrepreneurs and small businesses, such as incubators, makerspaces, and other shared working and production spaces. While business attraction is certainly a valuable component of traditional economic development models, ARC

emphasizes strengthening existing industries and businesses while also promoting economic diversification from within the Region.

Place-based economic development and growth strategies that leverage regional assets and cultivate multifaceted partnerships are central to ARC's approach. Areas of focus include helping communities within the Region convene partners around shared economic development and diversification goals, sharing best practices and innovations from across the Region, facilitating access to financing and other industry and business assistance, and supporting economic development-related technical assistance and capacity building. ARC investments in the business development portfolio typically track one or more of the following ARC performance measures:

- Businesses served and improved
- Businesses created
- Number of jobs created
- Leveraged private investment

Additionally, grantees are encouraged to provide projections for other relevant performance measures, such as:

- Number of jobs retained
- Number of workers/trainees served and improved and/or students served and improved
- Revenues increased: export sales
- Revenues increased: non-export sales
- Number of communities served and improved
- Number of organizations served and improved
- Number of participants served and improved
- Plans/reports developed
- Programs implemented

This program evaluation will examine roughly 250 grants that closed between fiscal years 2015 and 2019, representing over \$40 million in ARC funding. These projects aimed to serve roughly 20,000 existing businesses, create 1,100 new businesses, create 20,000 jobs, and leverage \$1.5 million in private investment.

Scope of Work

The goals of this evaluation are to assess the performance of ARC's business development grants, better understand the grant implementation experiences of grantees, highlight

promising practices among grantees, and provide ARC with a set of recommendations for improvement.

This project aims to achieve the above goals by summarizing grant portfolio data, collecting updated grant performance data from past grantees, and collecting additional feedback from past grantees, including qualitative input on their experiences implementing their ARC grants.

To the extent possible, ARC is also interested in direct feedback from grantee beneficiaries/clients. ARC does not have contact information for grantee beneficiaries, and we recognize that some grantees may not be able to share such information.

Proposals should include an outline of the data collection and analysis to be conducted, a work plan, and a schedule for reports and deliverables. The final report will summarize themes and findings and highlight any notable differences in outcomes or implementation experiences based on factors such as funding source, project type, sector, grantee organization size, prior experience as an ARC grantee, etc. The evaluation should address the following questions:

Description of the grant portfolio

- What were the goals of the projects?
- What approaches did the projects use to meet these goals?
- What types of organizations received the grants, and what are the characteristics of their beneficiaries?
- What is the spectrum of prior experience with ARC among grantees? (How many are new to ARC versus how many have had past grants?)
- Where do business development projects typically get match funding from?

Partnerships/ecosystems

- How do grantees develop and maintain partnerships? How did these relationships evolve after the grant ended? Did they continue?
- To what extent are ARC business development grantees partnering with each other within and across sectors (e.g., manufacturing, natural resources, high tech, food/agriculture)? What is the nature of these partnerships?

Grant performance

- What specific outputs and outcomes were projects designed to achieve, and to what extent did projects meet their performance goals?
- To what extent were project-related activities sustained beyond the period covered by the ARC grant, and for what amount of time? How does this vary across types of grant activities?

- What changes did grant beneficiaries (i.e., grantee clients) experience as a result of these projects?

Factors of successes and challenges

- Looking at factors internal to grantee organizations, external to grantee organizations, and specific to administration of the grants (e.g., regulations, tracking progress):
 - What factors influenced projects' successful implementation and sustainability?
 - What challenges/barriers to success did projects face and how were they addressed?
- Are there common factors among grantees who met performance targets and those who did not?

Equity

- What are grantees' experiences with fostering equity and reducing inequity?
- How and in what ways do grantees report prioritizing underserved or marginalized populations?
- How closely do grantee organizations' beneficiaries reflect the demographics of the communities they serve?
- What successes and challenges do grantees report in advancing equity?

Impact of pandemic

While the evaluation will focus on the performance of grants that closed prior to the start of the pandemic, ARC is interested in hearing from business development grantees about impacts of the pandemic that may affect future grantmaking considerations.

- What impacts has the pandemic had on business development grantees' ability to serve their communities/beneficiaries?
- What changes have business development grantees already implemented and what changes are they planning to implement, in response to evolving needs/opportunities that emerged from the pandemic?

Recommendations

The final report should include strategic, actionable recommendations, for both ARC and the local communities and organizations that are implementing business development projects, related to the following topics:

- Implementation of business development grants
- Guidance and resources provided by ARC to applicants and grantees throughout the grant lifecycle
- Assessing grant performance
- Fostering equity

Methodology

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

- Quantitative analysis of the grant portfolio
- Framework for gathering and analyzing quantitative and qualitative data from grantees (may include surveys, focus groups, interviews, site visits, and/or other methods)
- Framework for completing at least 10 case studies to highlight promising practices and/or innovative approaches to fostering equity or to addressing challenges. Specific attention should be given to best practices in communities that are rural, economically distressed, or otherwise underserved.

Data Provided

ARC will provide the contractor with an Excel file dataset with descriptive information about each grant (start date, close date, strategic plan goal and objective, grant type, subtype, etc.), a narrative description of the grant, grantee contact information, projected performance measures, and closeout performance measures. The selected contractor will also have view-only access to ARC's grants management database, where further information may be accessed (such as a history of correspondence between the grantee and ARC staff and interim progress reports from the grantee).

Deliverables

1. Final Report

The final report will summarize evaluation findings and synthesize themes in the areas of grantee successes and challenges and progress towards performance goals. The report will include actionable recommendations aimed at ARC's implementation of the business development grant program. A Microsoft Word file and an Adobe PDF file must be submitted on completion of the project.

2. Staff Presentation

Findings and recommendations will be shared with ARC staff during an all-staff presentation. This presentation may be conducted virtually.

3. Data Files

Electronic versions of all relevant databases compiled during the study, including all raw data, edited datasets, and results of statistical analyses. This will include an Excel spreadsheet formatted for uploading updated grant performance data to ARC's grants management database.

4. Other Deliverables as Suggested by Contractor

Technical, Management, and Cost Proposal Contents

A. Technical Proposal

The technical proposal 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. A schedule of milestones and deadlines should be specified for the completion of various work elements, including, for example, interviews, analyses, written progress reports, preliminary drafts for review, and final report. Regular check-in meetings with ARC staff are also required. Please note: It is the responsibility of the contractor to provide line editing of the final report/deliverable. Contractors should budget accordingly.

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, line editor, 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

1. *Business Management Organization and Personnel*

Furnish a brief narrative description of the organization, including the division that will 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 assigns the time

commitment of each 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 (links and/or attachments) of the three most similar projects undertaken by the applicant organization and the extent to which performance goals were achieved. Provide client organization names and addresses, names of contact persons, and email addresses 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 **\$250,000**. 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, travel, estimated cost of any subcontracts, other direct costs, total direct cost and overhead, and total cost and fee or profit.

Proposals should include a plan for a kickoff meeting, regular check-in meetings, and a final presentation of key findings and recommendations to all staff. We anticipate these meetings to be conducted virtually. However, proposals should include travel costs if applicable for any potential in-person activities such as site visits.

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. ARC will honor indirect rates as suggested by the contractor. However, be aware that a lower indirect rate may be more competitive in the selection process.

Proposal Submission

Proposals are due at or before 5:00 p.m. Eastern Time on July 28, 2022. Please send proposals as one Word or PDF file to Regina Van Horne, Program Evaluator, at rvanhorne@arc.gov.

Additionally:

- 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.
- Questions may be submitted to Regina Van Horne (rvanhorne@arc.gov) by July 1, 2022. Answers will be posted on the [Available Opportunities](#) section of the ARC website on July 8.

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 that, at a minimum, addresses:
 - Analysis of grantee portfolio
 - Grantee survey
 - Gathering feedback from grantee beneficiaries
 - Case studies
 - Final report
 - Staff presentation
 - Excel spreadsheet for uploading performance data to ARC grants management database
- Thorough and feasible plan for collecting data
- Qualifications and relevant prior experience evaluating business development grant programs
- 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 September 16, 2022, for an estimated contract start date of October 1, 2022, and completion date of September 30, 2023. Depending on the project plan, contract extensions will also be considered up to March 31, 2024.