



**REQUEST FOR PROPOSALS**

**INDUSTRY CLUSTER ANALYSIS**

**FOR WASHINGTON STATE**

May 28, 2008

*Workforce Training and Education Coordinating Board*  
*128 10<sup>th</sup> Avenue SW*  
*PO Box 43105*  
*Olympia, WA 98504-31-4*

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[www.wtb.wa.gov](http://www.wtb.wa.gov)

# INDUSTRY CLUSTER ANALYSIS FOR WASHINGTON STATE

## Request for Proposals

### Workforce Training and Education Coordinating Board

#### SECTION ONE - GENERAL INFORMATION

##### STATEMENT OF PURPOSE

The Workforce Training and Education Coordinating Board (Workforce Board) wishes to purchase the services of a qualified professional to conduct an industry cluster analysis for Washington State. This cluster analysis will provide a starting point for a joint effort of the Workforce Board, the Department of Community, Trade, and Economic Development, and the Economic Development Commission to develop a plan to support coordination at the state and regional levels, with a special emphasis on key economic clusters. These efforts are described on in the document *Skills for the Next Washington* (especially pages 6 and 7), posted at:

[http://www.wtb.wa.gov/Documents/SkillsfortheNextWashington5-08\\_1.pdf](http://www.wtb.wa.gov/Documents/SkillsfortheNextWashington5-08_1.pdf)

##### BACKGROUND

Based on Governor Gregoire's direction and many discussions, *Skills for the Next Workforce* presents a framework for coordinating workforce and economic development at the state and local levels focusing on a cluster-based approach.

Industry cluster is the term for a geographic concentration of interdependent competitive firms that do business with each other, including firms that sell inside and outside of the geographic region as well as support firms that supply new materials, components, and business services, and other institutions including government and education. It includes upstream suppliers of inputs—such as firms that supply materials and equipment, and downstream customers, including other firms. It also includes related entities that shape the environment within which the industry operates—such as government-provided education and training.

The first step in this process is for state and local areas to identify clusters in Washington. Substitute House Bill 1091, passed by the 2007 Legislature, directed the Economic Development Commission and the Workforce Board to jointly convene a work group to establish a process and criteria for identifying industry clusters and to identify those clusters that are strategic, using labor market information from the Employment Security Department and local labor markets. This request for proposals seeks a well qualified expert or experts who can apply the criteria developed by the work group to identify industry clusters and strategic clusters in Washington State. This work is the first of two phases described in the *Skills for the Next Washington* plan.

Work done under this agreement will support phase two of the project. In that phase, that is not covered by this RFP, state representatives will meet with economic development, workforce development, and industry leaders in workforce development areas to examine the phase one findings and obtain important information about each area that is not captured by phase one data. Phase one results produced under this agreement and the information gathered from discussions with local workforce, economic development, and industry leaders will be brought back to the Economic Development Commission and Workforce Board, as specified in SHB 1091, for use in identifying clusters and strategic clusters in Washington. Phase one results must be prepared in a way that allows for the public presentations, discussions, data gathering, and decision-making associated with phase two activities.

## DELIVERABLES DESIRED BY THE WORKFORCE BOARD:

The Workforce Board seeks a bidder who will:

1. Analyze the location quotients of industries by workforce development area in Washington. Include critical neighboring areas outside of the state such as the Portland area. Consider in the analysis the concentration of: employment, wages, revenue, and number of firms, compared to the national average. The analysis should be conducted using data at the four-digit level of the North American Industry Classification System (NAICS). The analysis should include how location quotients have changed over time.
2. For industries with a location quotient above a certain level (to be determined, but around 1.1 or 1.2) use an input-output model to identify linkages with other industries (suppliers and customers).
3. Map the location of firms in the clusters by county—both firms in the clusters' core industries and the firms in other industries with which the core industries are linked—listing the number of firms/employment/payroll in each county.
4. Create a matrix showing the clusters and their characteristics using variables that might be used to judge whether the clusters are strategic. These variables shall include, but are not limited to, employment levels; employment growth rate; projected employment; shift-share in location coefficient; wage levels such as median wage, the percent of jobs paying above some measure of a living wage, and the percent of jobs paying around the middle of the range of wages; and indicators of innovation and out-of-state trade. The analysis should include how the clusters have changed over time as indicated by these variables.
5. Produce a PowerPoint presentation of a draft report that is suitable for a general audience of workforce and economic development practitioners and policy-makers. The Bidder should be available to present the PowerPoint at the Governor's Economic Development Conference September 3 and 4, 2008 in Lynnwood, Washington.
6. Produce a final report documenting the design decisions made and the results of work done under this project. The report should allow readers to understand the sources of data used, the reasons for design choices made, and the overall results of project work. The report should include visual displays of Washington's clusters.

## SCHEDULE

The Workforce Board anticipates that work on this activity will begin by July 7, 2008.

Activity	Date
Application Guidelines Electronically Mailed	Wednesday, May 28, 2008
Due Date for Application	Friday, June 13, 2008
Grant Review Committee Convenes	Monday, June 16, 2008
Grantee notified of selection	Monday, June 16, 2008
Contract Negotiated and Signed	Thursday, June 19, 2008
Work on Contract Begins after 10 working-day OFM Review Period	Monday, July 7, 2008
Progress Report	Friday, August 8, 2008

Draft Maps and Cluster Matrices Due	Friday, August 22, 2008
PowerPoint of Draft Findings Due	Tuesday, September 2, 2008
Final Report Due	Friday, September 12, 2008

#### FUNDING

The Workforce Board has budgeted an amount not to exceed fifty thousand dollars (\$50,000) for this project.

#### ADDITIONAL INFORMATION

If you have any questions on substance of this RFP or *Skills for the Next Washington*, please contact Bryan Wilson at (360) 753-0891 or [bwilson@wtb.wa.gov](mailto:bwilson@wtb.wa.gov). The Workforce Board will post a summary of questions and answers stemming from the requests for information on its website at [www.wtb.wa.gov/](http://www.wtb.wa.gov/).

# INDUSTRY CLUSTER ANALYSIS FOR WASHINGTON STATE

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### Workforce Training and Education Coordinating Board

#### SECTION TWO – APPLICATION GUIDELINES

#### APPLICATION PROCESS

Applicants may submit their proposals in electronic or hard copy form. In either case, proposals and attachments must be received by the Workforce Board no later than **5:00 PM Friday, June 13, 2008**. If hard copies are sent, please send an **original and six (6) copies** of your proposal.

Deliver materials to:

Barbara Mix, RFP Coordinator  
Workforce Training and Education Coordinating Board  
128 10<sup>th</sup> Avenue SW  
PO Box 43105  
Olympia, WA 98504-3105  
(360) 586-3322  
[bmix@wtb.wa.gov](mailto:bmix@wtb.wa.gov)

Bidders mailing proposals should allow for normal mail delivery time to ensure timely receipt of their proposals by the RFP Coordinator. Late proposals will not be accepted and will be automatically disqualified from further consideration. On submission of electronic proposals and attachments, bidders are advised to contact the RFP Coordinator by telephone to provide notice that they have been sent. This will allow us to check to make sure that proposals have not been trapped in our computer SPAM filters.

All proposals and any accompanying documentation become the property of the Workforce Board and will not be returned.

#### PROPOSAL FORMAT

All proposals must be on 8.5 by 11” inch paper, typed in font size no smaller than 12-point, with tabs or cover pages separating major sections. The major sections shall include a **Letter of Submittal**, a **Technical Proposal**, a **Management Proposal**, and a **Cost Proposal**. **The combined length of the three proposals shall not exceed 25 pages (excluding contact information, cover pages, references, and resumes).**

#### Part 1 - Technical Proposal

The Technical Proposal must contain work requirements necessary to produce the deliverables described in this RFP. The proposal will outline the proposed approaches, methodologies, work plan, and time frames necessary to accomplish the tasks. If the work is done by more than one person, the work plan should state which staff would be assigned to each activity. If the bidder feels that it is not possible for them to provide one or more of the deliverables as described in this RFP, or that an alternative deliverable or method would be preferable, the bidder may explain the reason for their conclusion and propose an alternative.

## Part 2 - Management Proposal

The Management Proposal must contain the information regarding the firm, staff qualifications, related experience, and references as requested in Attachment C, Management Proposal. The management proposal must contain equivalent information for any planned subcontractors.

## Part 3 - Cost Proposal

It is anticipated that this will be a fixed-price contract. Bidders should submit a sufficiently detailed budget including staff costs and major non-labor expenses to allow the bid selection team to assess whether the bidder can accomplish the proposed work within the proposed payment amount. Proposals will be evaluated, in part, on the scope of evaluation and documentation activities the bidder supplies for the dollar amount the bidder requests for work on this project.

Bidders should propose a fixed price to be paid at completion of the first progress report and a price for delivery of the maps, matrices, and other documentation. Total cost may not exceed \$50,000.

## SIGNATURES

The Letter of Submittal must be signed and dated by a person authorized to legally bind the bidder to a contractual relationship (e.g., the president or executive director if a corporation, appropriate dean if a university, the managing partner if a partnership, or the proprietor if a sole proprietorship).

## FAILURE TO COMPLY

The bidder is specifically notified that failure to comply with any part of the RFP may result in rejection of the proposal as non-responsive. Each proposal must provide evidence of the ability to implement all or most RFP tasks as a complete package. Bids for single tasks will be deemed non-responsive. Bids from teams under the auspices of one major bidder are acceptable.

## REJECTION OF PROPOSALS

The Workforce Board reserves the right, at its sole discretion, to reject without penalty any or all proposals received. The final selection, if any, will be that proposal which, in the opinion of Workforce Board after review of all submissions by the Proposal Review Committee, best meets the requirements set forth in this RFP and is in the best interest of Washington State. The Workforce Board also reserves the right, at its sole discretion, to waive minor administrative irregularities contained in any proposal.

## SELECTION IN THE EVENT OF CLOSE SCORES

When evaluation of the proposals produces numerical ratings that are substantially equivalent (i.e., scores separated by less than 3 percent of the total available points), the Workforce Board reserves the right to award the contract to the bidder whose proposal is deemed to be in the Workforce Board's best interest. Criteria defining the best interest of Workforce Board and procedures to be followed will be communicated to affected bidders in the event of a tie.

## REVISIONS TO THE RFP

In the event it becomes necessary to revise any part of the RFP, addenda will be provided to all persons who receive the RFP. If any prospective bidder has reason to doubt whether the Workforce Board is aware of the bidder's interest, it is incumbent on the bidder to notify the Workforce Board to be sure that addenda are received. Mail, fax, or call such notice to the RFP Coordinator.

## MOST FAVORABLE TERMS

The Workforce Board reserves the right to make an award in whole or in part without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms that the bidder can propose. There will be no best and final offer process. Bidders should be prepared to accept language from this RFP and their own proposal for incorporation into the contract resulting from this RFP. It is understood that the proposal will become a part of the official file on this matter without obligation to the Workforce Board.

## OBLIGATION TO CONTRACT

This RFP does not obligate Washington State or the Workforce Board to contract for services specified herein.

## AUTHORITY TO BIND THE WORKFORCE BOARD

The Workforce Board Executive Director or her designee are the only individuals who may legally commit the Workforce Board to the expenditures of public funds for a contract resulting from this RFP. No cost chargeable to the proposed contract may be incurred before receipt of either a fully executed contract or specific written authorization from the Executive Director or designee.

## COSTS TO PROPOSER

The Workforce Board will not be liable for any costs incurred by the bidder associated with the preparation of a proposal submitted in response to this RFP.

## LEVEL OF SUPPORT

The Workforce Board will not be responsible for supplying material or logistical support to the contractor beyond what is specifically identified in the technical specifications. Workforce Board staff will be available for technical consultation and to assist with key decisions in the analysis, such as the location quotient used to determine which industries should be analyzed using input-output models to identify linkages with other industries.

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#### ATTACHMENT C – MANAGEMENT PROPOSAL

The following information should be provided as part of the Management Proposal. Any bidder intending to subcontract any of the proposed work shall submit this information for each proposed subcontractor.

#### **A. Identifying Information**

1. Name, address, fax, and telephone number of the legal entity with whom the contract is to be written.
2. Name, address, e-mail, fax, and telephone numbers of principal officers (president, vice president, treasurer, chairperson of the board of directors, etc.).
3. Legal status of the bidder (public agency, nonprofit, corporation, etc.) and year entity was established.
4. Federal employer ID number.
5. Washington State Uniform Business Identification number issued by the Department of Revenue. Registration for a UBI costs \$20.00 and is available by calling 1-800-647-7706.
6. Name of the project manager.
7. If the bidder or any party named in A.1, A.2, or A.6 (above) is, or was, an employee of Washington State in the past 24 months, indicate his/her social security number, job title, employing agency, and separation date.
8. Bidders who employ or have on their governing board as of the date of their bid, Washington State employees or former Washington State employees shall identify such persons and their positions and responsibilities within the bidder's organization.

#### **B. Experience of the Bidder**

Please describe your team's experience with the methods and subject matter of this study. Indicate the experience the bidder has had, if any, in the following areas. Where applicable, please supply samples of maps, analyses, and presentation materials that you have prepared in the past and are capable of producing under this contract:

1. Analyzing location quotients of industries by workforce area in Washington and neighboring areas using labor market information from the Washington State Employment Security Department and other sources to identify potential industry clusters.
2. Use of input-output models to identify suppliers and customers of industry clusters.
3. Mapping by county, the location of firms in industry clusters.
4. Creating a matrix describing industry cluster characteristics in a format suitable for presentation to workforce, economic development, and industry leaders.
5. Other Experience. Describe any other experience supporting your qualifications for the contract.

#### **C. Project Management**

1. Describe the proposed project staffing/organization your team will use during the course of the project.
2. Identify staff who will be assigned to the contract. Indicate the responsibilities and qualifications of key staff and how much time each will be assigned to the project. Provide resumes for all key staff. All

bidders must commit that the key staff identified in its proposal will actually be assigned to this project. Any substitution must have the approval of Workforce Board.

3. Provide an organizational chart indicating the lines of authority for personnel involved in performance of the potential contract. This chart must also show lines of authority to the next senior level of management. If subcontractors are used, describe lines of authority and process for managing accountability for the final product.
4. Identify who within the team will have final authority for the work.

#### **D. Project Plan and Schedule of Activities**

The bidder should supply a project plan and schedule of activities showing how the required research tasks will be accomplished within the contract time frame. The plan should identify which staff will be working on which activities.

#### **E. Process for Responding to Changing Requirements**

The bidder should identify the process by which it will be able respond to delays, schedule changes, or other unanticipated barriers to project completion. Ability to respond to unexpected contingencies will be important, as no work beyond September 30, 2008 may be charged to this project.

#### **F. Bidder References**

1. List all contracts over \$100,000 with Workforce Board and/or other Washington State agencies during the last five years. Provide the name of the contracting agency, period of performance, contact person in the respective agency and telephone number, and a brief description.
2. List any contracts the bidder or subcontractors may have had during the last five years that relate to the bidder's ability to perform the services called for under this RFP. List contract titles, name of contracting agency, period of performance, contact persons and telephone numbers, and provide a brief description.
3. Supply names, addresses, and telephone numbers of three client references, and briefly describe the type of service provided in the contracts.
4. Indicate if the bidder has had a contract terminated for default in the last five years. Termination for default is defined as notice to stop performance, which was delivered to the bidder due to the bidder's nonperformance or poor performance and the issue of performance was either (a) not litigated due to inaction on the part of the bidder, or (b) litigated and determined that the bidder was in default.

NOTE: If the bidder has had a contract terminated for default in this period, then the bidder shall submit full details including the other party's name, address, and telephone number. The Workforce Board will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the bidder's past experience.

5. By naming them in the proposal the bidder grants permission to the Workforce Board to contact all references.

## **G. Minority and Women-Owned Business (MWBE) Participation**

In accordance with the legislative findings and policies set forth in Chapter 39.19 RCW, Washington State encourages participation in all of its contracts by MWBE firms certified by the Office of Minority and Women Owned Business Enterprises. Participation may be either on a direct basis in response to this solicitation or as a subcontractor to a Bidder/Proposer.

However, unless required by federal statutes, regulations, grants, or contract terms referenced in the contract documents, no preference will be included in the evaluation of bids/proposals, no minimum level of MWBE participation shall be required as a condition for receiving and award and bids/proposals will not be rejected or considered non-responsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract will apply.

Bidders who are certified as MWBE or whose proposals include subcontracts with firms certified as MWBE are encouraged to provide proof of certification in the management proposal. Identification of MWBE bidders will help Workforce Board to determine whether it has provided notice to potential contractors in a manner reasonably designed to provide MWBEs capable of performing this work the opportunity to respond.

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 Workforce Training and Education Coordinating Board  
**ATTACHMENT D – PROPOSAL CHECKLIST AND SCORING CRITERIA**

**A. Proposal Checklist (Please do not return this with your application)**

**Logistics**

- Application due by 5 p.m. on Friday, June 13. Six (6) copies, one with original signatures should be supplied if physical copies are delivered. Electronic delivery of applications is also acceptable. Signatures on electronic applications should be supplied by saving a PDF file containing the required signatures. Call the RFP coordinator after submission of electronic applications so that we can verify receipt.
- Application submitted on standard 8½” x 11” white paper (one side only).
- Font size no smaller than 12-point type.

**Proposal Elements**

- Cover page with project summary and applicant organization signature.
- Technical, Management, and Cost Proposals supplied
- Technical Proposal, Management Proposal, and Cost Proposal (combined) are no more than 25 pages (excluding Cover Page, Identifying Information and References in the Management Proposal, Work Samples, and Staff Resumes)

**B. Evaluation Scoring Criteria:**

Proposals will be evaluated by a panel of reviewers scoring proposals on the following criteria:

<p>Technical Proposal</p> <p>Based on evidence of understanding of how to obtain needed data, conduct the analysis, and how to present results in formats accessible to workforce, economic development, and industry leaders. Weight will be given to work samples from similar analyses. Weight will also be given to proposals with a shorter time-line, and for indications of creativity in displaying cluster information.</p>	<p>40%</p>
<p>Management Proposal</p> <p>Includes qualifications and experience of staff, organization and management of work tasks, and proposed work plan.</p>	<p>50%</p>
<p>Cost Proposal</p> <p>Total cost and level of expenditure on proposed work activities will be reviewed.</p>	<p>10%</p> <hr style="width: 50px; margin-left: auto; margin-right: 0;"/>
<p>Total Score</p>	<p>100%</p>