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**REQUEST FOR PROPOSALS**

**ON**

**A Study on the Economic Benefits of the U.S. Foreign-Trade  
Zone Program**

**FOR**

**The National Association of Foreign-Trade Zones**

## **I. PROJECT OVERVIEW**

NAFTZ seeks to commission a new analysis of the benefits of the U.S. Foreign-Trade Zones (FTZ) program, using both econometric modeling and other empirical evidence. The report will be published and discussed as part of an advocacy outreach program the Association is developing.

The need for a study of this type was recently highlighted in a GAO (Government Accountability Office) report on the FTZ program. (*FOREIGN TRADE ZONES: CBP Should Strengthen Its Ability to Assess and Respond to Compliance Risks across the Program*, Report No. 17-649 (July 2017)).

In that report, the GAO remarked that FTZs were created to provide public benefits, but asserted that little is known about their economic impact on the United States and local economies.<sup>1</sup> Specifically, the GAO noted that:

Few economic studies have focused on FTZs, and those that have do not quantify economic impacts or address the question of what the economic activity, such as employment, would have been in the absence of companies having FTZ status . . . . [D]etailed FTZ production applications filed since 2012 . . . provided limited information on economic impact and no data to support their estimates of job creation. Public comments on these applications revealed disagreements among industry members on the anticipated economic impacts of the proposed FTZ activities.

In its advocacy activities on behalf of the FTZ community, NAFTAZ principally relies on anecdotal evidence that the FTZ program promotes economic development, encourages the establishment of manufacturing and distribution operations in the United States, creates American jobs, maintains American jobs and production activity in a changing world, contributes significantly to U.S. exports, makes U.S.-based companies more globally competitive, and attracts investment into U.S. communities with zone projects. However, the assertions in the GAO report demonstrate that more persuasive evidence is necessary to support these conclusions.

## **II. THE NATIONAL ASSOCIATION OF FOREIGN-TRADE ZONES**

The National Association of Foreign-Trade Zones (NAFTZ), an association of public and private members, is the collective voice of the U.S. Foreign-Trade Zones Program. The NAFTAZ is the Program's principal educator and the leader in demonstrating the program's value and role in the dynamic environment of international trade. NAFTAZ is instrumental in supporting economic development objectives and global competitiveness of its members by providing a forum for disseminating relevant information, and advocacy support on international trade issues. The NAFTAZ is continually searching for new ways to demonstrate the continued national economic benefit of foreign trade zones for manufacturing, distribution and retailing.

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<sup>1</sup> The Congressional Budget Office has raised similar questions. *See*, Congressional Budget Office, *U.S. Foreign-Trade Zones: Background and Issues for Congress* (Sept. 5, 2012 and Nov. 12, 2012).

NAFTZ exists to serve its members and partners as the premier U.S. Foreign-Trade Zones advocacy and educational organization, through public-private partnerships to promote the U.S. Foreign-Trade Zones Program as an economic development tool for job creation and investment.

### **III. PROJECT GOALS AND TARGET AUDIENCE**

The NAFTAZ Board of Directors has endorsed commissioning an economic study of the FTZ program to provide credible, up-to-date, empirical (quantitative and qualitative) information on the economic impact of the FTZ program on the American and local economies.

### **IV. TERM OF AGREEMENT**

The term of engagement on this project is from May 4, 2018 to February 28, 2019. NAFTAZ will have the right to extend the term for an additional three months if necessary to complete the study.

### **V. CRITERIA FOR SELECTION**

NAFTZ seeks a highly-qualified professional or team of professionals, including a qualified economist, from a private firm, research or academic institution to conduct the study of the FTZ program. NAFTAZ will give preference to submissions demonstrating strong experience in conducting econometric and case studies examining the benefits of international trade programs.

Cost will also be an important consideration in awarding the contract for this project along with the applicant's experience and other selection criteria. NAFTAZ is developing a project budget, which we will discuss during the interview process.

### **VI. PROJECT TIMELINE AND DELIVERABLES**

Members of the NAFTAZ Selection Committee and Advocacy Working Group will make a final selection among the candidates for approval by the NAFTAZ Board by **May 3, 2018**. An ad hoc committee, to include the NAFTAZ president and selected representatives of the NAFTAZ Board, Advisory Council, and Advocacy Working Group, will work with the contractor to oversee the project according to the following schedule (which may be subject to change as circumstances warrant):

- May 4, 2018 – Respondents contacted/Notification of Selection
- June 29, 2018 – First conference call to review progress
- August 10, 2018 – Second conference call to review progress
- September 10, 2018 – Delivery of written summary of preliminary findings to the Committee
- September 17, 2018 – Presentation of preliminary findings at NAFTAZ Annual Conference in Atlanta, GA
- November 15, 2018 – Submission of draft report to the Committee for review
- December 14, 2018 – Meeting to discuss the draft report; address comments and questions
- January 15, 2019 – Submission of final report to the Committee
- February 12, 2019 – Presentation of final findings at the 2019 NAFTAZ Legislative Summit

The principal author(s) of the report shall attend both the 2018 NAFTZ Annual Conference in Atlanta, GA on September 17, 2018 for presentation of the preliminary findings; and the 2019 NAFTZ Legislative Summit in Washington, DC on February 12, 2019 for presentation of the final report.

If you believe the final report can be completed in time for release at NAFTZ's Annual Conference in Atlanta (Sept, 16-19, 2018), please state so in your proposal and provide a suggested project schedule.

## **VII. PROPOSAL SUBMISSION**

NAFTZ will accept proposals received until **5:00 pm (EST) on April 13, 2018**. NAFTZ expects to interview selected applicants who have submitted meritorious proposals.

NAFTZ will not reimburse any expenses incurred by the responder including, but not limited to, expenses associated with the preparation and submission of the response, attendance at interviews, and/or travel.

NAFTZ reserves the right to reject any and all proposals, to waive irregularities and informalities, to request additional information from all respondents, and further reserves the right to select the proposal which furthers the best interests of NAFTZ.

All interested firms should provide a PDF copy of the proposal, responding to each inquiry and containing the specified information listed below.

### **1. Background and Experience**

- A summary of experience in studies involving economic impact analyses focused on international trade and customs.
- A description of the organizational structure for work on the project.
- A current resume for each individual who will play a key role in the project, including relevant academic training, degrees, and prior experience.
- Any other background or experience which may relevant to the performance on the contract and/or helpful in evaluating your proposal.

### **2. References**

- Provide a reference list of three (3) recent (within five years) clients with contact information including, address, phone number and e-mail address.
- NAFTZ may contact any other known clients, whether offered as references or otherwise, to obtain information to assist NAFTZ in evaluating the proposal.
- NAFTZ retains the right to use reference information to make selection decisions. Submittal of a proposal is agreement that NAFTZ may contact and utilize such information.

### **3. Proposed Team**

- Designate the primary contact, and identify those who would be working in more specialized areas.
- 4. Proposed Methodology**
- A description of the proposed methodology, including econometric modeling and sampling as well as qualitative analysis.
- 5. Proposed Fee**
- Proposed compensation inclusive of all service costs for the identified Scope of Work (NAFTZ will make payments to the contractor in monthly installments).
  - The proposed compensation will be considered a “best and final offer,” although NAFTZ reserves the right to negotiate terms as needed to improve elements of the proposal to best meet NAFTZ’s needs.
- 6. Contract**
- Submission with the proposal of a draft contract for review by NAFTZ governing the transaction.

**VIII. LETTER OF INTENT TO RESPOND**

Any party wishing to respond to this request for proposal is encouraged to submit a non-binding Letter of Intent to NAFTZ prior to submitting their proposal. Letters of Intent may be emailed to the NAFTZ principal point of contact:

Erik Autor  
 President  
 NAFTZ  
 National Press Building  
 529 14<sup>th</sup> Street, NW  
 Suite 1071  
 Washington, DC 20045  
[EAutor@NAFTZ.org](mailto:EAutor@NAFTZ.org)

**IX. SUBMISSION**

The entire proposal and other requested components in this document should be received by 5:00 pm (EST) April 13, 2018.

Documents (in MS Word or PDF format) may be emailed to the principal NAFTZ point of contact, Erik Autor, NAFTZ president.

**X. CLARIFICATIONS**

Any questions regarding this RFP should be directed to the principal NAFTZ point of contact, Erik Autor, NAFTZ president

Any changes to a proposal to correct errors or omissions must be received by the deadline of 5:00 pm (EST) April 13, 2018.