



Request for Consultant Services

No. EDD 2017-004

May 5, 2017

Important Deadlines:

Questions on Solicitation:	5:00 p.m. PST, April 17, 2017
Answers from City:	April 20, 2017
Solicitation Response Deadline:	12:00 p.m. PST, May 5, 2017

Request for Consultant Services

The City of San Diego's Economic Development Department seeks a Consultant (Individual or Firm) to analyze and determine the effectiveness of the current Revolving Loan Fund Program to determine if restructuring or creating alternative management arrangements within the parameters of the Economic Development Administration (EDA) funding/program requirements will increase its effectiveness as a valued incentive to the business community. An overview and information on the anticipated tasks are provided on the following pages.

Provider Response Deliverable

Consultant responses must adhere to the following format and sections and limit the responses to no more than eight (8) pages, excluding resumes and attachments.

Service Delivery

Please describe how you would approach the anticipated tasks and activities including parameters such as a timeline, key personnel involved, the scope of that involvement, key steps to achieve deliverables, and milestones to be met. Please address how you deliver quality services.

Pricing & Schedule

All prices must be firm, fixed, fully burdened, FOB destination, include any applicable delivery charges, and any other costs required to provide the requested services. Please provide a clear and accurate cost analysis based on the various anticipated tasks and activities indicating staffing and hourly rates versus hard costs, such as meeting preparation versus production of meeting materials, and other anticipated costs for noticing, other outreach, and report preparation. Please include costs for no longer than a 6-month period commencing May or June 2017 and use the attached Price Schedule form.

Experience and Qualifications

Please provide a list and description of the team that will provide these services, the relative amount of time to be spent on these services, include resumes for key personnel indicating relevant experience with federal grant management, knowledge of, evaluation and administration of EDA loan programs and requirements, survey work and outreach strategies. Please note that there may be NO substitution of key personnel without prior City approval.

References

Between three (3) and five (5) client examples and reference projects executed within the last five years which are similar to the needs identified within this Request.

Provider Requirements

The selected Consultant must, once selected, have a valid City of San Diego Business Tax Certificate and be able to furnish the required insurance and documentary proof as detailed in the attached sample agreement.

The selected Consultant will be required to execute an agreement and comply with the provisions and standard terms and conditions as detailed in the attached samples. The selected Consultant will also be required to complete and submit the "Contractors Standards" and "EOC Form for Informal, Sole Source, and Cooperative Contracts" forms.

Questions and Answers

Questions and comments pertaining to this solicitation must be submitted by email only before 5:00 p.m. on April 17, 2017. Only written communications relative to this solicitation shall be considered. E-mail is the only acceptable method for submission of questions, however, if necessary, alternative formats and accommodations may be made available by City. It is incumbent upon proposers to verify that the City has received their questions and/or comments. Emails must be addressed to Rosa Elena Enriquez (renriquez@sandiego.gov). The City will distribute by email any questions and answers, without identification of the inquirer(s), to all proposers who are on record as having received this solicitation no later than 2:00 p.m. on April 20, 2017. No oral communications may be relied upon for this solicitation. Addenda will be issued addressing questions or comments that are determined by the City to cause a change to any part of this solicitation.

Submission Instructions:

Consultants who wish to be considered must submit an electronic copy of their proposal by email to Rosa Elena Enriquez (renriquez@sandiego.gov) on or before Noon (12:00 p.m.), May 5, 2017.

Evaluation of Responses

Responses will be evaluated on the basis of experience and qualifications (15 points), clarity of response (10 points), approach to service delivery and high quality services (15 points), and price (10 points).

Please note that the lowest total estimated contract price of all the proposals that meet the requirements as specified in this solicitation will receive the maximum assigned points for this category. The other price schedules will be scored based on how much higher their total estimated contract prices compare with the lowest. The lowest possible score is zero.

**ANALYSIS OF THE ECONOMIC DEVELOPMENT DEPARTMENT'S
REVOLVING LOAN FUND PROGRAM
U.S. DEPARTMENT OF COMMERCE – ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)
REVOLVING LOAN FUND GRANTS 2017**

PROPOSED SCOPE OF WORK

A. OVERVIEW

Revolving Loan Funds (RLFs) are utilized throughout the country as a source of financing which may not otherwise be available to small businesses. Repayments on the small business loans are returned to the loan pool and are available as RLF capital for future loans and expenses associated with program administration, thus creating a revolving loan fund. The RLF funds are often utilized for working capital, property acquisition, inventory and purchase of machinery and equipment.

The City's Emerging Technology Revolving Loan Fund (EmTek RLF) was originally established in 1994 through grants from the U.S. Department of Commerce, Economic Development Administration (EDA) in an effort to mitigate the impact of the reduction in defense spending on the San Diego economy and fostering a business-friendly environment in the region. The City provided local matching funds to establish the RLF pursuant to the EDA grant terms. Since inception, the RLF provided seed capital financing to smaller emerging high technology companies unable to obtain private financing without partial public support.

The San Diego Regional Revolving Loan Fund (SDRRLF) was established by the City in 2002. With local lenders acting as primary financing partners, the RLF provides "gap financing" loans to assist small and mid-size businesses unable to meet the terms of traditional lenders. At inception, the City partnered with the City of Chula Vista to establish the SDRRLF to make loans available to businesses located in both cities.

In June 2012, the consolidation of the EmTek RLF and the San Diego Metro Revolving Loan Fund (SDMRLF) transferred to the City in 2004 from the Southeastern Development Corporation, which created the Small Business Micro Revolving Loan Fund (SBMRLF).

Both the SDRRLF and SBMRLF have assisted small and medium sized businesses including, food & beverage companies, service-oriented businesses, manufacturers and cleantech companies, among others.

Collectively, these RLF programs are referred to as the "Business Finance Program" of the City. The EDD offers this service as an incentive to facilitate economic development, to help increase the number of middle-income jobs and enhance the local economy. Effective deployment of the Business Finance Program supports the three Strategic Objectives of the 2017-2019 Economic Development Strategy: #1—to grow its economic base by expanding, increasing and retaining the City's economic base sectors (Manufacturing & Innovation, Military, International Trade & Logistics and Tourism); #2—to increase the amount of middle-income jobs, especially in the City's economic base sectors and #3—to increase the amount of neighborhood-based business activity.

To be eligible, applicants must submit an application and meet eligibility criteria approved by the EDA, including: being located in the City of San Diego or Chula Vista; creating new employment opportunities; having secured additional financing to complete the project; proof of credit worthiness; and ability to repay the loan. The RLF program has approximately \$1,700,000 (combined RLF pool) available to lend to qualified businesses located in San Diego and/or Chula Vista.

However, despite extensive promotion by EDD staff, both Revolving Loan Funds have underperformed over the past several years with few loans funded.

To more efficiently determine the effectiveness of the current RLF Program, the City is seeking to hire a consultant for no longer than a 6-month period to analyze and determine the effectiveness of the current RLF Program. Evaluation of program restructuring or alternative management arrangements to increase its effectiveness as a valued incentive to the business community is expected.

Consultant will be required to execute all tasks. The anticipated tasks have been identified and are included below.

B. TASKS

Task 1. Meet with City staff to determine timing, develop a greater understanding of City's Business Finance Program, current marketing opportunities and operational/management procedures.

Task 2. Interview of RLF Loan Advisory Board members and other stakeholders, such as funded business owners or other businesses.

Deliverables: Develop interview questions and schedule.

Task 3. Review and benchmarking: San Diego's RLF program and other RLF program operators.

Deliverables: Write-up of current conditions, benchmarking results report, interview results, submittal of timeline/list of proposed activities.

Task 4. Identify any further research needed and conduct such research.

Task 5. Identify and report on potential alternative management and marketing approaches.

Deliverables: Write-up of possible alternative management arrangements with details of execution and application to current RLF program within the administrative and regulatory parameters of EDA.

Task 6. Once project elements and deliverables from all Tasks are executed, consultant shall develop long-term strategies and recommendations which will then be reviewed by the Economic Development Department prior to being finalized/formalized.

Task 7. After review and feedback, Consultant will use information gathered to prepare draft of final report.

Deliverables: Write-up of final RLF analysis report for review and final submission.

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Insert Consultant Name Here

PRICE SCHEDULE

City's Estimated Need [insert line items of services needed with estimated quantities and units of measure]: