

**Minority Business Revolving Loan Program**  
**PROGRAM PROPOSAL REQUIREMENTS**

The Department of Economic & Community Development (DECD) is pleased to offer revolving loans to support minority businesses and industries in the state. Pursuant to PA 16-128 not more than two minority business development entities will receive grants from DECD, through the Small Business Express Program, to provide loans to minority businesses around the state in FY 2016 through 2020. All grant awards shall be made on a competitive basis beginning in FY 17, utilizing the Results Based Accountability. Applicants may submit a proposal to the DECD for program funding.

**Background**

The primary objective of the Minority Business Revolving Loan Program, as defined under PA 16-128 (See Attachment A) is to develop and promote:

- Minority business development and expansion;
- Minority business job creation in targeted areas as identified by the DECD Minority Business Initiative (MBI) Advisory Board;

**Proposal Submission**

Proposals submitted to DECD for consideration must include:

- Brief background narrative;
- Summary of overall program;
- Program procedures and guidelines;
- Specific outreach strategies with proposed deliverables;
- A five year self-sufficiency plan to cover program administrative costs;
- Responses to the Results Based Accountability questions below; and
- A project financing plan & budget (details outlined below);
- Audited Financials for the past three years;
- List of Board of Directors and their affiliations.

**Deadline: No later than 4 PM October 18, 2016**

**Send to:** State of Connecticut – Department of Economic and Community Development  
505 Hudson Avenue, Hartford, CT 06106  
**Attention:** Minority Business Revolving Loan Program c/o OBID

These guidelines have been prepared to assist applicants in submitting proposals for grants. An Information Session will be held on September 30<sup>th</sup> at 9:30 at 505 Hudson Street, Conference Room 466 for program questions. **Contact Toni Karnes at [toni.karnes@ct.gov](mailto:toni.karnes@ct.gov), if you, or your representative plan to attend. This will be the only opportunity to ask questions regarding this RFP.**

### Award Determination

The Program proposals will be scored on the following important goals and objectives based on current public policy.

- Ability to meet the requirements of the statute
- A complete proposal
- Capacity to carry out the proposal
- Amount of funds leveraged,
- Readiness to proceed; which is identified for the purposes of this document as having all the program administrative and fiduciary resources in place and being structurally ready to implement the program.
- The five year self-sufficiency plan to cover program administrative costs.
- Budgets with no more than 10% of the request being allocated to Administrative Costs; which is identified for the purposes of this document as costs associated with loan origination, loan servicing, closing costs and fees (including but not limited to recording fees and title searches), expenses of collection and reporting.

Awards will be based upon the merits of the proposal. Applicants may receive full or partial funding of the amount requested in their proposal. DECD will give priority to proposals that:

- Promote Minority business development and expansion;
- Promote Minority business job creation in targeted areas as identified by the DECD Minority Business Initiative Advisory Board;
- Include a five year self-sufficiency plan to cover program administrative costs;
- Are a certified minority business entity with its principle place of business in CT;
- Demonstrates experience in the above areas;
- Budgets with no more than 10% of the request being allocated to Administrative Costs.

Awards will be made by **November 1, 2016**. Awardees will be contacted via mail.

**All proposals should address the following:**

Give a full explanation of how your proposal will meet the **Results Based Accountability** questions below:

- ❑ **How does the program address the need to create new jobs and decrease unemployment in the minority community?** The program's statutory purpose or the purpose of the activities funded should be connected and the metrics to evidence the results should be clearly identified.
- ❑ **What is the quality of life result to which the program component makes the most important contribution?** This question relates to the broader mission or vision of the program. Programs are the means to an end. They are created in order to help the state achieve a certain vision or mission for improving the quality of life for people in the state (a population). There may be instances where a program contributes to more than one quality of life result. Generally, you should indicate the most important of these results. If more than one result is equally important, then you may indicate the additional results as well.
- ❑ **How does the program contribute to the result?** Programs are not responsible for population results; however, they are expected to contribute to achieving one or more results. The program's statutory purpose or the purpose of the activities funded should be connected to the result. A program's purpose is usually narrower than the quality of life to which the program contributes.
- ❑ **Who are the programs major customers?** Customers are those served by the program. They are the direct beneficiaries of the program, the individuals, groups, or entities that receive the services, funds or other benefits to the program.
- ❑ **What measures do you use to tell if the program is delivering its services well? How are you doing on the most important of those measures?** "How well"; measures relate to the manner in which program activities are carried out. These measures are often referred to as process measures. Is information collected accurately? Timely? Are services delivered courteously? Efficiently? What percent of the eligible population participates in the services? Completes the? What are staff qualifications? What do customers think of the service delivery? For the "How well" measures you consider most important, what is the current level of performance? If you have a baseline, that is data for the last 3-5 years, provide it, along with where you think performance will be in the next 2-3 years if you keep doing what you are doing. What is the "story behind the baseline? Is this baseline going in the right direction? Is it going there fast enough? What is causing the baseline to go into his direction? What are the external circumstances affecting the direction? What interactions among people or personal characteristics are affecting the direction?

- **What measure do you use to tell if the program's customers are better off? How are you doing on the most important of those measures?** No matter how well you are delivering your services, how do you know if your customers are benefitting? For the "Better Off measure you consider the most important, what is the current level of performance? If you have a baseline, that is data for the last 3-5 years, provide it, along with where you think performance will be in the next 2-3 years if you keep doing what you are doing? What is the "Story behind the baseline"? Is this baseline going in the right direction? Is it going there fast enough? What is causing the baseline to go in this direction? What are the internal and external forces affecting this performance? If you don't have a baseline data, what are your plans for collecting the necessary data?
- **Who are the partners with a major role to play in doing better?** Government agencies alone can rarely achieve all of the outcomes that their customers desire. Partners contribute to the success of program by making contributions to critical strategies Effective strategies should include the engagement of major partners and be clear about their role.
- **What works, what could work, to do better, or to do the least harm in a difficult financial climate?** What are the actions that you know from the research, best practices, and you own experience are effective to "turn the Curve" on the critical performance measures, that is to move performance in the right direction or prevent it from getting worse. These strategies that respond to the causes and forces behind the current level of performance.
- **What specific actions do you propose to take over the next two years? Focus on 1) no-cost and low-cost actions. 2) Actions to reduce the harm of budget reductions, and 3) reallocation of existing resources to obtain best results.** To obtain the best results in this economic climate and to ensure that any budget reductions produce the least harm, what do you propose to do over the next two years? In the absence of financial resources, we need to do our best and most creative thinking, based on the analyses of the "how well" and "better Off" measures, to identify no-cost or low-cost ideas, including moving funding from activities or programs that are less essential or that work less well. Be specific and concrete; focus on new actions that you will take, not what you are already doing.

### Goals and Performance Measures

Funding recipients will be required to report their progress and measure their performance against their stated goals. Applicants must include in their proposals clear and comprehensive targets for the following:

**TABLE 1**

<b>GOALS</b>	
<b>Economic impact</b>	
New Businesses Started	
Existing Businesses assisted	
Jobs Retained	
Jobs Created	
<b>Amount of loans by region</b>	
<b>Average loan size by region</b>	
<b>Technical Assistance Provided</b>	
<b>Outreach Strategy</b>	
<b>5-Year Self Sufficiency Plan for Administrative Costs</b>	
<b>Mentoring Strategy</b>	

### Funding

- Provide a financing plan and budget (attached); identify a budget period
- Provide a source and use of funds
- Provide information on leveraging
- Give a short description as to what the DECD funding will be used for i.e.
  - To expand an existing program
  - To create a new program
  - To fill a funding gap in a new program
  - To fill a funding gap in an existing program

### Filing and Records

- Explain how you will maintain a system of files which is both functional and efficient. All information must be easily retrievable and securely maintained.
- Explain how you will maintain records in accordance with program guidelines and policies.

### **Reporting**

During the contract period, the Program shall work to achieve its goals and objectives as outlined above in table 1. Program award recipients shall provide DECD with an accounting of their progress in achieving these goals and objectives and the overall performance of the program on a monthly basis in a format provided by DECD.

Such monthly progress reports shall report against the Results Based Accountability questions, including:

- A narrative that describes the organizations progress;
- Constraints faced during the quarter in meeting the goals and objectives;
- Such statistical data/information required by the Commissioner to measure the performance of the program and the state's return on investment; Financial accounting of how this program benefits the State of CT; and Financial and Managerial report on the performance of the program both to date and cumulative.
- Success stories the Center is responsible for developing success stories and submitting them with the quarterly reports.
- All program costs must be expended by the last day of the State agreement.
- Time and effort performance must be documented for all individuals contributing their time toward delivery of Center services and who appear in the State Project Financing Plan and Budget as being paid with State funds or cash match dollars. Time and effort documentation must specify how time was spent in direct support of the Center operations.
- Explain what geographic areas and population you will be targeting and explain how you made your decision to target those areas.

**Applicants may receive full or partial funding of the amount requested in their proposal.**

ATTACHMENT A

Minority Business Revolving Loan Program Legislation  
Excerpted from Public Act 16-128

Sec. Section 1 (NEW) (*Effective from passage*) (g)(1) “There are established as part of the Small Business Express Program not more than two revolving loan fund programs to provide loans to eligible small businesses that are owned by one or more members of a minority. As used in subsection (g)(1) (B) a minority is defined as:

(i) Black Americans, including all persons having origins in any of the Black African racial groups not of Hispanic origin; (ii) Hispanic Americans, including all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race; (iii) all persons having origins in the Iberian Peninsula, including Portugal, regardless of race; (iv) women; (v) Asian Pacific Americans and Pacific islanders; or (vi) American Indians and persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

The Minority Business Revolving Loan Program’s purpose is to:

(1) To provide grants to up to two minority business development entities as defined in PA 16-168 Section 1 subsection (g)(1)( A) for the purposes of providing loans to minority businesses;

(2) To promote, retain and create job development opportunities in the minority business community;

(3) To provide loans to minority businesses in amounts from ten thousand dollars up to one hundred thousand dollars, at a rate of not more than four percent and a term of not more than ten years;

(4) To ensure that on or before five years from the date of the award, the minority business development entity has managed the annual funds or revenues from the revolving loan program so that such revenues are sufficient to cover the program administrative costs for the loan fund.

The Department of Economic and Community Development may enter into an agreement, pursuant to chapter 55a of the general statutes, with a minority business development entity to operate the loan program developed pursuant to subsection (g) of this legislation.

The Commissioner shall prescribe the manner in which an entity shall submit an application for a grant awarded as part of the loan program developed pursuant to PA16-128, provided such application procedure includes a request for proposal and a competitive award process.

## **Necessary Additional Completed Forms**

**OPM Ethics Form 1 – Gift and Campaign Contribution Certification**, available at:

<http://www.ct.gov/opm/lib/opm/OPMForm1GiftandCampaignContributionCertificationRev052615.pdf>

**Agency Vendor Form (SP-26NB) and W-9 Form**, available at:

[http://das.ct.gov/Purchase/Info/Vendor\\_Profile\\_Form\\_\(SP-26NB\).pdf](http://das.ct.gov/Purchase/Info/Vendor_Profile_Form_(SP-26NB).pdf)

**CHRO Employment Information Form**, available at:

<http://www.ct.gov/chro/lib/chro/pdf/notificationtobidders.pdf>

**OPM Ethics Form 5 – Consulting Agreement Affidavit**, available at:

[http://www.ct.gov/opm/lib/opm/OPM\\_Form\\_5\\_Consulting\\_Agreement\\_Affidavit\\_3-28-14.pdf](http://www.ct.gov/opm/lib/opm/OPM_Form_5_Consulting_Agreement_Affidavit_3-28-14.pdf)

Selected firms must also submit an updated Form 5 together with their delivery of the executed Contract, which Form 5 must be dated contemporaneously with the date that the firm executes the Contract

The appropriate **Nondiscrimination Certification** from those available at:

[http://www.ct.gov/opm/cwp/view.asp?a=2982&q=390928&opmNav\\_GID=1806](http://www.ct.gov/opm/cwp/view.asp?a=2982&q=390928&opmNav_GID=1806)