



**NEW YORK**  
STATE OF  
OPPORTUNITY™

**Empire State  
Development**

# **REQUEST FOR PROPOSALS FOR NEW YORK STATE MINORITY REVOLVING LOAN FUND PROGRAM**

**IMPORTANT NOTICE:** A restricted period under the Procurement Lobbying Law is currently in effect for this Procurement and it will remain in effect until approval of the Contract. Bidders are prohibited from contact related to this procurement with any New York State employee other than the designated contacts listed below (refer to: <http://ogs.ny.gov/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html>).

Designated Contacts for this Procurement:

Primary Contact: Ralph Volcy

Secondary Contact: Rachael Dubin

All Contacts/Inquiries shall be made by email to the following address: [MWRLTF-RFP2018@esd.ny.gov](mailto:MWRLTF-RFP2018@esd.ny.gov)

**PROPOSAL DUE DATE AND TIME:  
On or before 3:00 PM on October 11, 2018  
(Late proposals cannot be accepted)**

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## I. INTRODUCTION

The mission of Empire State Development is to promote a vigorous and growing state economy, encourage business investment and job creation, and support diverse, prosperous local economies across New York State through the efficient use of loans, grants, tax credits, real estate development, marketing and other forms of assistance.

### A. Program Summary

The Minority Revolving Loan Fund (“MRLF”) program is an \$899,314.97 fund designed to create economic activity by providing greater access to capital for minority-owned business enterprises (“MBEs”). Through MRLF, ESD will provide low-interest loans, up to \$250,000, to qualified community-based lenders, who will in turn disburse loans to minority-owned small businesses in New York State that have difficulty accessing capital.

Program loans may be for working capital, machinery and equipment, and the acquisition and/or improvement of real estate. Program funds used to finance an applicant loan will not be more than 50% of the principal amount and no greater than \$50,000. There is no minimum and lenders may make loans greater than \$100,000 so long as no more than \$50,000 of MRLF funds are used. A participating lender may charge application and commitment fees on loans to eligible businesses pursuant to a schedule of fees adopted by the participating lender and approved in writing by ESD. Loans that are funded by MRLF may be enrolled into ESD’s existing Loan Loss Reserve programs, including the Capital Access Program, but no other credit enhancement will be available.

The loan to prospective lenders will have a term of 7 years with a 1% interest rate. The selected lenders will make semi-annual interest only payments in years 1-4 and with principal payments starting in year 5.

Loan advances will be subject to the agreed upon provisions of the loan agreement and the funds will be advanced in three (3) installments. The first advance will be released upon execution of the loan agreement. Subsequent tranches will be released upon successful deployment of at least 70% of the aggregate of the previous advances.

### B. Invitation to Apply

ESD invites “community-based lending organizations” to apply for loans up to \$250,000.

“Community-based lending organizations” shall mean community development financial institutions, small business lending consortia, certified development companies, providers of United States Department of Agriculture business and industrial guaranteed loans, United States Small Business Administration loan providers, credit unions and community banks.

### C. Request for Proposals Schedule

Release of Request for Proposals	August 29, 2018
Deadline for Submission of Questions	September 14, 2018
Deadline for ESD to Respond to Questions	September 20, 2018
Submission of Proposals (date and time)	October 11, 2018, 3:00 PM ET
Bid Opening Date	October, 12 2018
Announcement of Selections	November 30, 2018
Anticipated Contract Start Date	January 2019

## II. PROGRAM GUIDELINES

### A. Applicants will be required to:

- a. Obtain New York State prequalification and related registration standards through the Grants Reform System. This will ensure eligibility to participate in this Request for Proposals and receive potential program awards (see instructions in section VI(C)(c)).
- b. Focus its activities on M/WBE and/or small business lending
- c. Be legally able to receive and use the proceeds as herein stated;
- d. Meet any other requirements herein stated for the specific purpose of the grant;
- e. Be current with reporting requirements for any other ESD assistance;

### B. Eligible Borrowers

An eligible business is one

- a. That is a minority group member - a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:
  - i. Black persons having origins in any of the Black African racial groups not of Hispanic origin;
  - ii. Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American of either Indian or Hispanic origin, regardless of race;
  - iii. Asian and Pacific Islander persons having origins in any of the Far East, Southeast Asia, the Indian sub-continent or the Pacific Islands; or
  - iv. Native American persons having origins in any of the original peoples of North America.
- b. whose primary place of business is located in New York State, independently owned and operated, not dominant in its field, and employs one hundred or fewer persons; and

### C. Eligible Uses

A participating lender may make loans to eligible businesses only for one or more of the following eligible uses:

- a. Working capital;
- b. Acquisition and/or improvement of real property;
- c. Acquisition of machinery and equipment; or

- d. Refinancing of debt obligations provided that:
  - i. it does not refinance a loan already in the portfolio of the participating lender;
  - ii. the refinanced loan will provide a tangible benefit to the business borrower as determined by ESD in writing; and
  - iii. the aggregate of the principal of all borrower refinancing loan amounts in the participating lender's program loan portfolio is not greater than 25 percent of the principal amount of ESD's program loan to the participating lender.

D. Ineligible Uses

- a. projects of newspapers, broadcasting or other news media;
- b. medical facilities, libraries, community or civic centers;
- c. public infrastructure improvements; or
- d. providing funds, directly or indirectly, for payments, distribution or as a loan (except in the case of a loan for sole proprietors for business use), to owners, members, partners or shareholders of the applicant business, except as ordinary income for services rendered.

E. Cost Sharing & Matching Requirements

- a. Eligible applicants must match ESD Program funds at least 1:1 with non-State sources.
- b. ESD Program funds used to finance an applicant loan may not exceed \$50,000.
- c. A participating lender may charge application, commitment, and loan guarantee fees on loans to eligible businesses pursuant to a schedule of fees adopted by the participating lender and approved in writing by ESD.

F. Disbursement

Program funds will be disbursed as follows:

- a. 1/3 of total loan upon execution of Loan Agreement
- b. 1/3 upon submission of documentation to ESD of disbursement or commitment of 80% of the first disbursement
- c. 1/3 upon submission to ESD of documentation of disbursement or commitment of 80% of total disbursed funds

G. Funding Source

- a. The Program will be funded by existing funds allocated to the Empire State Development Minority Revolving Loan Fund.

H. Additional Conditions

- a. ESD will establish reporting requirements to account for the utilization of Program funds. The Program funds are to be used only for the purposes stated in the Applicant's proposal or otherwise approved, in writing, by ESD.

- b. All activities generated by funding from ESD, or toward which ESD Program funds are used, shall be conducted according to the standard business practices of the Applicant and any agreements with ESD.
- c. All program funds will be subject to all necessary public approvals and availability of funds.

### III. QUESTIONS

- A. All questions, comments, requests for clarification or any other communication regarding this Request for Proposals must be submitted in writing no later than **September 14, 2018**, by email to: [MWRLTF-RFP2018@esd.ny.gov](mailto:MWRLTF-RFP2018@esd.ny.gov). Answers will be posted no later than **September 20, 2018** via ESD's website: <http://esd.ny.gov/CorporateInformation/Rfps.html>
- B. In addition, any changes, additions or deletions to this Request for Proposals will also be posted on ESD's website and the Contract Reporter, along with the electronic version of this Request for Proposals. Respondents should note that any necessary clarification must be sought by the deadline for questions set forth in the "Schedule of Dates" section in this Request for Proposals.
- C. Respondents are urged to check ESD's website frequently for notices of any clarification of or changes, additions, or deletions to this Request for Proposals.
- D. **OTHER THAN THE CONTACT WEB ADDRESS IDENTIFIED ABOVE, PROSPECTIVE RESPONDENTS SHALL NOT APPROACH ESD'S EMPLOYEES DURING THE RESTRICTED PERIOD OF THIS REQUEST FOR PROPOSALS PROCESS ABOUT ANY MATTERS RELATED TO THIS REQUEST FOR PROPOSALS OR ANY QUALIFICATIONS SUBMITTED PURSUANT THERETO.**

### IV. SELECTION CRITERIA

- A. ESD will balance individual application scores with priorities for geographic distribution. The evaluation criteria will include the following, in order of importance:
  - a. Track record of small business lending, including the ability to demonstrate strong underwriting capacity, deal-sourcing capacity, and a low default ratio, in NYS, especially in underserved communities and to underserved populations that have difficulty accessing traditional credit markets.
  - b. If applying for funding from multiple programs, the proposal is complete and describes a feasible and cohesive strategy for using the programs to increase the organization's activity and effectiveness in serving its target population.
  - c. The applicant's record in meeting the performance goals, timelines and reporting requirements established under previous ESD programs, if applicable. ESD may choose not to consider proposals from organizations that are not in compliance with the contracting and reporting requirements of other ESD program.
  - d. Organizational capacity and stability.

- e. The applicant's operating budget and institutional capacity for using grant funds effectively.
- f. Compliance of the proposal with the "Guidelines" section and other terms and conditions of this request for proposals.

**B. Additional Considerations**

- a. By submitting its proposal, each applicant authorizes ESD to contact any and all other persons identified in its proposal or in any investigation conducted by or on behalf of ESD or the State, and obtain the release of pertinent financial and other information, as well as to obtain verification of the information provided by each applicant.
- b. ESD will not be held liable for any costs incurred by any applicant for work performed in the preparation and production of a proposal, nor for any work performed prior to written authorization from ESD to proceed. All proposals submitted will become the property of ESD.
- c. ESD reserves the right to:
  - i. reject any or all proposals received;
  - ii. award grants in any amount;
  - iii. require the submission of modifications or additions to proposals as a condition of further participation in the selection process; and
  - iv. amend this request for proposals.

**V. SUBMISSION REQUIREMENTS**

**A. PROCUREMENT FORMS AND REQUIREMENTS**

**a. Vendor Responsibility Questionnaire**

All respondents to this Request for Proposals must be "responsible," which in this context means that they must have the requisite financial ability, organizational capacity and legal authority to carry out its obligations under this Request for Proposals, and in addition must demonstrate that both the Respondent and its principals have and will maintain the level of integrity needed to contract with New York State entities such as ESD. Further, the respondent must show satisfactory performance of all prior government contracts. Accordingly, the contract to be entered into between ESD and the respondent, if any, shall include clauses providing that the respondent remain "responsible" throughout the term of the contract, that ESD may suspend the contract if information is discovered that calls into question the responsibility of the contracting party, and that ESD may terminate the contract based on a determination that the contracting party is non-responsible. On request, model language to this effect will be provided to any respondent to this Request for Proposals.

To assist in the determination of responsibility, ESD requires that all respondents to this Request for Proposals register in the State's Vendor Responsibility System

("Vend-Rep System"). The Vend-Rep System allows business entities to enter and maintain their Vendor Responsibility Questionnaire information in a secure, centralized database. Respondents are to file the required Vendor Responsibility Questionnaire online via the Vend-Rep System or may choose to complete and submit a paper questionnaire. Please include a copy of your Vend-Rep submission receipt or paper questionnaire with your proposal.

To enroll in and use the Vend-Rep System, see the System Instructions available at [www.osc.state.ny.us/vendrep](http://www.osc.state.ny.us/vendrep) or go directly to the Vend-Rep system online at <https://portal.osc.state.ny.us>. For direct Vend-Rep System user assistance, the Office of the State Comptroller's Help Desk may be reached at 866-370-4672 or 518-408-4672 or by email at [helpdesk@osc.state.ny.us](mailto:helpdesk@osc.state.ny.us).

Respondents opting to file a paper questionnaire can obtain the appropriate questionnaire from the Vend-Rep website [http://www.osc.state.ny.us/vendrep/forms\\_vendor.htm](http://www.osc.state.ny.us/vendrep/forms_vendor.htm) and execute accordingly pertaining to the company's trade industry. Per the website, respondents are to "Select the questionnaire which best matches the business type (either For-Profit or Not-For-Profit) and business activity (Construction or Other)."

#### **b. Non-Discrimination and Contractor & Supplier Diversity Requirements**

##### **CONTRACTOR REQUIREMENTS AND PROCEDURES FOR PARTICIPATION BY NEW YORK STATE-CERTIFIED REGIONAL-OWNED BUSINESS ENTERPRISES AND EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITY GROUP MEMBERS AND WOMEN**

##### **NEW YORK STATE LAW**

Pursuant to New York State Executive Law Article 15-A and Parts 140-145 of Title 5 of the New York Codes, Rules and Regulations ESD is required to promote opportunities for the maximum feasible participation of New York State-certified Regional-owned Business Enterprises ("MWBES") and the employment of minority group members and women in the performance of ESD's contracts.

##### **Equal Employment Opportunity Requirements**

By submission of a bid or proposal in response to this solicitation, the respondent agrees with all of the terms and conditions in [SCHEDULE B - PARTICIPATION BY MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES: REQUIREMENTS AND PROCEDURES](#). The respondent is required to ensure that it and any subcontractors awarded a subcontract for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work"), except where the Work is for the beneficial use of the respondent,

undertake or continue programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, equal opportunity shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, and rates of pay or other forms of compensation. This requirement does not apply to: (i) work, goods, or services unrelated to the Contract; or (ii) employment outside New York State.

The respondent will be required to submit a Minority and Women-owned Business Enterprise and Equal Employment Opportunity Policy Statement, OCS-1, to ESD with its bid or proposal.

If awarded a Contract, respondent shall submit a Workforce Utilization Report and shall require each of its Subcontractors to submit a Workforce Utilization Report, in such format as shall be required by ESD on a quarterly basis during the term of the Contract.

Pursuant to Executive Order #162, contractors and subcontractors will also be required to report the gross wages paid to each of their employees for the work performed by such employees on the contract utilizing the Workforce Utilization Report on a quarterly basis.

Further, pursuant to Article 15 of the Executive Law (the "Human Rights Law"), all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor and sub-contractors will not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

**Please Note: Failure to comply with the foregoing requirements may result in a finding of non-responsiveness, non-responsibility and/or a breach of the Contract, leading to the withholding of funds, suspension or termination of the Contract or such other actions or enforcement proceedings as allowed by the Contract.**

#### **PARTICIPATION OPPORTUNITIES FOR NEW YORK STATE CERTIFIED SERVICE-DISABLED VETERAN-OWNED BUSINESSES**

Article 17-B of the New York State Executive Law provides for more meaningful participation in public procurement by certified Service-Disabled Veteran-Owned Businesses ("SDVOBs"), thereby further integrating such businesses into New York State's economy. ESD recognizes the need to promote the employment of service-

disabled veterans and to ensure that certified service-disabled veteran-owned businesses have opportunities for maximum feasible participation in the performance of ESD contracts.

In recognition of the service and sacrifices made by service-disabled veterans and in recognition of their economic activity in doing business in New York State, Bidders/Contractors are strongly encouraged and expected to consider SDVOBs in the fulfillment of the requirements of the Contract. Such participation may be as subcontractors or suppliers, as protégés, or in other partnering or supporting roles.

For purposes of this procurement, ESD conducted a comprehensive search and determined that the Contract does not offer sufficient opportunities to set specific goals for participation by SDVOBs as subcontractors, service providers, and suppliers to Contractor. Nevertheless, Bidder/Contractor is encouraged to make good faith efforts to promote and assist in the participation of SDVOBs on the Contract for the provision of services and materials.

The directory of New York State Certified SDVOBs can be viewed at: <http://ogs.ny.gov/Core/SDVOBA.asp>

Bidder/Contractor is encouraged to contact the Office of General Services' Division of Service-Disabled Veteran's Business Development at 518-474-2015 or VeteransDevelopment@ogs.ny.gov to discuss methods of maximizing participation by SDVOBs on the Contract.

**c. Insurance Requirements**

The Selected Respondent will be required to provide the following insurance (at a minimum and to the extent applicable):

1. Commercial General Liability of \$1 million per occurrence and \$2 million in the aggregate;
2. In the event that you are using a vehicle in business, Commercial Automobile insurance with a limit of not less than \$1 million;
3. Must show evidence of Worker's Compensation & Employer's Liability insurance at State statutory limits;
4. Must show evidence of Disability insurance coverage at State statutory limits;
5. Professional Liability (Errors & Omissions) Insurance of \$1 million.
6. Empire State Development must be named as additional insured on a primary and non-contributory basis on all of the following policies: Commercial General Liability and Auto

Liability. All policies above should include a waiver of subrogation in favor of Empire State Development