State of Minnesota

Department of Employment and Economic Development



REQUEST FOR PROPOSAL

Small Business Loan Participation Program

State Small Business Credit Initiative (SSBCI 2.0)

Date Posted: May 20, 2024

* Responses must be received not later than 4:30 p.m., Central Time, June 17, 2024
* Late responses will not be considered

**Minnesota’s Commitment to Diversity and Inclusion**

The State of Minnesota (“State”) is committed to diversity and inclusion in its public procurement process. The goal is to ensure that those providing goods and services to the State are representative of our Minnesota communities and include businesses owned by minorities, women, veterans, and those with substantial physical disabilities. Creating broader opportunities for historically under-represented groups provides for additional options and greater competition in the marketplace, creates stronger relationships and engagement within our communities, and fosters economic development and equality.

To further this commitment, the Department of Administration operates a program for Minnesota-based small businesses owned by minorities, women, veterans, and those with substantial physical disabilities. For additional information on this program, or to determine eligibility, please call 651-296-2600 or go to [the Office of Equity in Procurement home page, at www.mn.gov/admin/oep](http://www.mn.gov/admin/oep).

SPECIAL NOTICE: This is a request for proposal. It does not obligate the State of Minnesota to award a contract or complete the proposed program, and the State reserves the right to cancel this solicitation if it is considered in its best interest.

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**Solicitation Attachments**

* Attachment A: Loan Detail Projections
* Attachment B: Outreach Strategy
* Attachment C: Responder Declarations
* Attachment D: Exceptions to State's Terms and Conditions
* Attachment E: Cost Proposal
* Attachment F: Responder Forms
  + Workforce and Equal Pay Declaration Page
  + Workforce Certification Form
  + Equal Pay Certificate Form

**Sample Master Loan Participation Agreement**

* Exhibit A: Sample Application for Participation and SSBCI Certifications
* Exhibit B: Sample Commitment Letter
* Exhibit C: Sample Participation Certificate
* Exhibit D: Sample Quarterly Report
* Exhibit E: The American Rescue Plan Act of 2021 Funding Terms and Conditions

SECTION 1 – INSTRUCTIONS TO RESPONDERS

|  |  |
| --- | --- |
| Steps for Completing Your Response | Follow the steps below to complete your response to this Solicitation:  Step 1: Read the solicitation documents and ask questions, if any Step 2: Write your response Step 3: Submit your response |
| Incomplete Submittals | A response must be submitted along with any required additional documents. Incomplete responses that materially deviate from the required format and content may be rejected. |
| STEP 1 – READ THE SOLICITATION DOCUMENT & ASK QUESTIONS, IF ANY | |
| How to Ask Questions | The contact person for questions is:  Lori Hanson, Solicitation Administrator Department of Employment and Economic Development (DEED) State Small Business Credit Initiative (SSBCI) Unit lori.hanson@state.mn.us  Questions should be emailed to the contact by 4:30 p.m., Central Time, on May 29, 2024. Please use the email subject line “*SBLPP RFP Question*.”  Other personnel are not authorized to answer questions regarding this Solicitation. |
| STEP 2 – WRITE YOUR RESPONSE | |
|  | The Proposal Content section is in Section 4. Prepare a written response and supply all requested content. Responses should address the requested information and documents detailed in Section 4. DO NOT INCLUDE Non-Public/Trade Secret data (as defined by Minn. Stat. § 13.37).  **Review, sign, and include the Responder Declarations with your response**. |
| STEP 3 –SUBMIT YOUR RESPONSE | |
| Where to Send Your Response | Submit your response via email to:  Department of Employment and Economic Development State Small Business Credit Initiative Unit Lori Hanson, Solicitation Administrator lori.hanson@state.mn.us  Responses must be received not later than 4:30 p.m., Central Time,  June 17, 2024. **Late responses will not be considered.**  The Cost Proposal must be submitted as a separate attachment from the Technical Proposal. It is important no costs are contained in any portion of a responder’s Technical Proposal.  By submitting a response, Responder is making a binding legal offer for the period of time set forth below in Section 6, Conditions of Offer. |

SECTION 2 – SUMMARY OF SCOPE

# Procurement Overview.

The Minnesota Department of Employment and Economic Development (DEED), through its Economic Development and Research Division, is seeking proposals from qualified Responders to participate in the State Small Business Credit Initiative (SSBCI) 2.0 Small Business Loan Participation Program (SBLPP or Program). Eligible Responders must be qualified non-depository certified Community Development Financial Institution (CDFI) loan funds or non-certified nonprofit loan funds that can demonstrate they meet community development financial institution criteria, meaning they:

* have a primary mission of promoting community development;
* serve an investment area or targeted population;
* provide development services in conjunction with loans;
* maintain, through representation on their governing board or otherwise, accountability to residents of their investment area or targeted population; and
* are not an agency or instrumentality of the United States, or of any state or political subdivision of a state.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021, which provided $10 billion to fund SSBCI 2.0. Through SSBCI 2.0, the U.S. Department of the Treasury (Treasury) will provide funds to states, the District of Columbia, territories, and Tribal governments for small business credit support and investment programs.[[1]](#footnote-2)

The American Rescue Plan Act of 2021 reauthorizes and expands the SSBCI Program, which was originally established in 2010.[[2]](#footnote-3) SSBCI 2.0 provides recipient jurisdictions funding for: (1) credit and investment programs for existing small businesses and start-ups, and (2) technical assistance to small businesses applying for SSBCI 2.0 funding and other government small business programs.

SBLPP is qualified as an “Other Credit Support Program.” The Program enables lenders access to additional capital through purchase participation approvals up to 30% of a lender’s eligible small business loan. DEED has designated $25 million in allocated SSBCI 2.0 funding to the SBLPP.

# Program Details.

SBLPP is structured as a purchase participation program to support non-depository CDFIs and other nonprofit loan funds with access to additional loan capital, portfolio risk support and to foster an increase in participation in local economic development activities.

Responders will be expected to source and manage the enrolled loans and will be able to set the rate, terms, and conditions for the qualified small business borrower with certain exceptions. No loan may have a term of more than ten (10) years or an amortization of more than twenty (20) years. In addition, no loan enrolled in the Program may have a maturity date that extends beyond September 30, 2035. Interest only or reduced payment periods are acceptable. Alternative structures to traditional interest-bearing loans are acceptable so long as they meet SSBCI requirements. Lines of credit may be issued under the Program, but may not be longer than three (3) years. Lenders must also follow certain SSBCI requirements, including meeting disclosure of terms requirements, conforming to minimum national consumer protection standards, the Nation Credit Union Administration (NCUA) rate cap and SSBCI-mandated fee caps.

Additional information about SSBCI 2.0, including Treasury guidelines, can be found at <https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci> and SSBCI 2.0 rules are codified in 12 U.S.C. 5701 *et seq*.

DEED will act as the agency on behalf of the state of Minnesota to facilitate and guide the use of funding to remain compliant with the SSBCI 2.0 Treasury requirements. Support will be provided to participating lenders through streamlined approval processes, reporting standards, and a collaborative approach to Program administration and goals achievement.

Approved loans for eligible Minnesota-based business types and loan purposes will be submitted to DEED for review and approval. Responders will receive a loan participation certificate and up to 30% in purchase participation funds with a minimum participation of $10,000 and a maximum of $250,000. The participation amount will generally be 25%, but will increase to 30% for loans made to businesses that qualify under Treasury guidelines for Socially and Economically Disadvantaged Individuals (SEDI) as defined below. Each transaction must be submitted to DEED for review with Program rules and must be approved prior to close.

This RFP will result in multiple contracts awarded to qualified responders in order to meet the State’s needs. Once contracts have been negotiated and fully executed, participations will be purchased by DEED on a first-come, first-served basis so long as funds are available or the Program sunsets.

# Goals.

The Program is intended to maximize private lending capital and lower the risk of funding to businesses that may have been adversely impacted by COVID-19.

Responders who traditionally serve underserved communities will help support the SSBCI 2.0 Program’s success by building upon current banking relationships, helping to leverage private capital from banks and philanthropic investors, and increasing access to private capital for small business borrowers across the state of Minnesota.

# Sample Tasks and Deliverables.

Main tasks and deliverables the successful Responder will perform are detailed below and in the Master Loan Participation Agreement that Responder will enter into with DEED, a sample of which is attached. Responders must agree to cooperate with DEED and Treasury to meet the following minimum requirements to participate as a lender for the Program:

* Maintain good standing status with the state of Minnesota.
* Maintain sound lending approval standards in accordance with the Responder’s policies and procedures and follow all state and federal guidelines for small business lending, as applicable.
* Provide DEED with documentation of loan policy or procedures changes with the quarterly report due the period immediately following the change.
* Maintain sound cash management.
* Establish a separate escrow account while participating in the Program when disbursing funds and receiving repayment of DEED funding, and appropriate monitoring and reporting regarding the account.
* Follow guidelines regarding eligible businesses and use of funds requirements under SSBCI 2.0 as outlined in the attached sample Master Loan Participation Agreement, Article II, Sections 2.01 through 2.05 and as codified in 12 U.S.C. 5701 *et seq*.
* Follow all required procedures, which include but are not limited to completion of enrollment forms to seek approval for initial application participation and any allowed additional use of returned funds during the duration of the Program as long as funds remain under oversight of the Responder and have not been returned to DEED.
* Provide an outreach plan for how the organization will actively seek eligible small business borrowers for participation in the Program based on past outreach to the investment area or targeted population served by Responder. (Detail regarding expected outreach should be provided in Attachment B: Outreach Strategy.)
* Attend at least one (1) group or one-on-one training session for the purpose of lender Program onboarding.
* Cooperate with DEED’s Office of Public Engagement on outreach to potential borrowers through community events, not to exceed an average of once per quarter, from time to time during the contract period.
* Submit all quarterly and annual program reports by the due dates, schedule and in the form to be provided by DEED. Responder should demonstrate the ability to collect information from Borrowers, in addition to the ability to report on its own activities. DEED will provide lenders with the reporting format to follow to help streamline the process as much as possible for both quarterly and annual reporting.

*Quarterly Reports*

Responder will be required to certify and submit the following program-level information to DEED by the reporting deadlines provided in the Master Loan Participation Agreement for each reporting period. A template quarterly report, which may be updated from time to time, is included in the Master Loan Participation Agreement. In addition to completing the quarterly report form, the lender shall agree to provide its most recent three (3) months of program bank account statements and supporting documentation for any write-off or modification requests made.

*Annual Reports*

Responder must provide information to DEED no later than January 31 of each calendar year to ensure final reporting is completed and sent to Treasury by the deadline of March 31.

* Annual reports require submission of transaction-level detail necessary for completion of DEED’s annual reporting to Treasury. Annual reporting will require Responder to gather information from borrowers whose loans are enrolled in the Program.
* An update on Responder’s small business lending program may also be requested annually. Such updates should include:
  + - Expected participation requests in the next year
    - Number and value of applications received, approved and denied
    - Changes in leadership or key lending staff
    - Changes in loan and other relevant policy documents
* Some information for reporting will be gathered from Responder at the time of application approvals for participation loans and may include the required certifications and SEDI-owned (defined below), Very Small Business (VSB), and other demographic or geographic data required for reporting. Responder will be required to confirm or clarify any information submitted at the time of enrollment, as necessary.
* Adhere to contractual and program agreements and expectations.

# Lender Qualifications

1. Be a certified CDFI or other nonprofit loan fund that has an existing loan program that would reasonably result in participation requests ranging from $10,000 to $250,000. (Detail regarding expected participation requests should be provided in Attachment A: Loan Detail Projections.)
2. Have an existing loan program that serves the Responder’s investment area or targeted population, that is guided by board-approved loan policies or procedures, and that will be able to provide access to small business loans for eligible Minnesota-based borrowers in accordance with Responder’s lending program and SBLPP guidelines.
3. Have a small business loan portfolio in which a majority of loans are made to Minnesota-based businesses.
4. Be a nonprofit corporation in good standing with the state of Minnesota.
5. Have adequate processes in place for: loan approval, documentation, servicing, collections, reporting, and tracking of program within financial systems. Include descriptions of any software used, as appropriate.
6. Demonstrate that the Responder has sufficient private capital to begin to immediately originate loans that will be enrolled in the Program and, if applicable, provide additional detail for how the Responder expects to raise additional loan capital.

***Note:*** Responders without nonprofit status or a track record of commercial small business lending in Minnesota will not be considered.

# Desired Qualifications.

* Ability to enroll loans that would result in at least $500,000 of participations within the first two (2) years of the Program. Responders may still qualify for the Program if they project loan values that do not meet this threshold.
* Ability to establish and strengthen relationships with private lenders interested in partnering or participating with loans that are in line with SSBCI 2.0 funding purposes and SBLPP loan guidelines.
* Ability to promote Program funding through all available channels in the Responder’s investment area or targeted population to ensure equitable access to information about the Program.
* Ability to provide education regarding Program access to the public in conjunction with DEED SSBCI training opportunities, webcasts, and other public forums offered to small business borrowers.
* Demonstrated history of making loans to businesses owned and controlled by Socially and Economically Disadvantaged Individuals (SEDI-owned) as define below.

**SEDI–owned Business**: A business that certifies that it is owned and controlled by individuals who have had their access to credit on reasonable terms diminished compared to others in comparable economic circumstances, due to their (1) membership of a group that has been subjected to racial and ethnic prejudice or cultural bias within American society, (2) gender, (3) veteran status, (4) limited English proficiency, (5) disability, (6) long-term residence in an environment isolated from the mainstream of American society, (7) membership of a Federally or state recognized Indian Tribe, (8) long-term residence in a rural community, (9) residence in a U.S. territory, (10) residence in a community undergoing economic transitions (including communities impacted by the shift toward a net-zero economy or deindustrialization), or (11) membership of an “underserved community.”

(12) business enterprises that certify that they are owned and controlled by individuals whose residences are in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii);

(13) business enterprises that certify that they will operate a location in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii); or

(14) business enterprises that are located in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii).

For purposes of this definition, a business is “owned and controlled” by applicable individuals:

1. If privately owned, 51% or more is owned by such individuals;

2. If publicly owned, 51% or more of the stock is owned by such individuals; and

3. In the case of a mutual institution, if a majority of the board of directors, account holders, and the community in which the institution services is predominantly comprised of such individuals.

Underserved communities are populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social and civic life, as exemplified by the list in the definition of equity.

SECTION 3 – PROPOSAL INSTRUCTIONS AND ADDITIONAL INFORMATION

# Anticipated Contract Term.

The term of this contract is anticipated to be from July 2024 to September 2035 with no option to extend any additional years. The latest date lenders will be able to enroll transactions in the Program will be the earlier of September 30, 2030, or the sunset date for SSBCI 2.0.

# Question and Answer Instructions.

All questions should be submitted no later than the date and time listed in Section 1, Instructions to Responders. The State is not obligated to answer questions submitted after the question due date and time.

Only personnel listed above are authorized to discuss this solicitation with Responders. Contact regarding this solicitation with any personnel not listed above could result in disqualification. This provision is not intended to prevent Responders from seeking guidance from state procurement assistance programs regarding general procurement questions.

If a Responder discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in the solicitation, please immediately notify the contact person detailed above in writing of such error and request modification or clarification of the document.

SECTION 4 – PROPOSAL CONTENT

Responder should submit the following information:

Work Plan. Responder should provide a description of the deliverables to be provided by the Responder, as outlined in Section 2, along with a detailed work plan that identifies the major tasks to be accomplished and be used as a scheduling and managing tool. This document should NOT list cost detail. If cost detail is included in this document, the State may disqualify the proposal as non-responsive. Responder should provide a statement of the objectives, goals, and tasks to show or demonstrate the Responder's view and understanding of the nature of the contract.

Responder’s work plan should also provide the following and may refer to or supplement attached documents as necessary to demonstrate Responder’s ability to meet tasks and deliverables listed in Section 2 of this RFP:

1. Demonstration that the organization:
2. Is able to source and manage loans to Minnesota-based small businesses that will be enrolled in the Program and that are at least $30,000, but do not exceed $1,000,000;
3. Has completed Attachment A: Loan Detail Projections chart showing expected SBLPP enrollment activity (must attach to Technical Response)
4. Is positioned to lend to SEDI-owned businesses as defined in Section 2 – Summary of Scope, Clause 6. Desired Qualifications of this RFP;
5. Has completed Attachment B: Outreach Strategy for how lender will actively seek SEDI/investment area population for the Program (must attach to Technical Response);
6. Is able to meet administrative requirements of participation in the Program, including onboarding, outreach, establishing and maintaining a separate escrow account for Program participation, and reporting compliance, including reporting on loan policy changes and the items listed in Section 2- Summary of Scope, Clause 4, regarding quarterly and annual reporting; and
7. Is able to comply with contract compliance requirements (see Sample Master Loan Participation Agreement attachment), including completion of enrollment forms, certifications related to each enrolled loan, requirements specific to SSBCI 2.0 regulations, program income tracking, reporting, and management of Program funds maintained by the Responder.
8. SSBCI Alignment.

Responders may demonstrate alignment with SSBCI 2.0 SBLPP program goals through various methods including a narrative description of Responder’s target market, impact of program and overall successes; operating documents evidencing target market mission, vision and values statements, key leadership and staff training programs emphasizing equitable access and outreach; board approved programs and minutes reflecting focus areas; and client or partner reviews and testimonials. Responders are encouraged to expand on details to include tangible outcomes and any verified gaps in programs that access to SBLPP funding has been identified to help build and support.

1. Program goals alignment exists in the Responder’s small business lending programs.
2. Equitable access assurances are imbedded in all lending and service programs provided by the Responder and must be clearly stated in lending policies. (Responders who demonstrate that they prioritize serving a CDFI Investment Area or SEDI-owned and Very Small Businesses may receive higher scores than those who do not.)
3. Program and service outreach effortsare made to ensure all Minnesota-based small businesses, including SEDI-owned and Very Small Businesses or those in CDFI Investment Areas, receive up to date and timely information regarding available programs and services. (Responders should provide details of outreach efforts that have taken place within the past 36 months.)
4. Responder demonstrates having a strong community presence through outreach, education, and partnerships established with community stakeholders that serve similar clients.

# Qualifications and Experience. Responder should provide an outline of background and experience with examples of similar work done by the Responder and a list of personnel who will conduct the project, detailing their training, and work experience. Resumes or other information about project personnel should not, if possible, contain personal telephone numbers, home addresses, or home email addresses. If it is necessary to include personal contact information, please clearly indicate in the response that personal contact information is being provided.

Personnel: Responders may demonstrate years of experience by describing the number of years it has operated its lending program, by providing professional bios of the key lending staff, loan committee members and closely related third parties identified by the Responder to support skills, direct experience, and knowledge base.

1. Ability to support an increase in transaction volume using existing and fully operational loan management systems, policies, lending processes, and risk-based controls.
2. Loan or credit committee members have sufficient qualifications to oversee loan approvals.
3. Small business lending staff have sufficient years of experience related to small business and commercial lending, risk rating and underwriting, processing, closing, and securing collateral.
4. Administrative staff have sufficient years of experience with loan funds management, reporting, and client communication.

The Responder may provide additional qualifications, certifications, and education focus areas that exist for key staff and loan committee members that are specific to providing small business lending or development services for businesses that qualify under the SEDI-owned definition.

Organization: Responder should provide a narrative attachment to explain how the organization is qualified to meet the Lender Qualifications as outlined below and in Section 2 – Summary of Scope, Clause 5, program requirements and comply with SSBCI regulations.

1. Have an existing small business loan program that serves the Responder’s investment area or targeted population, that is guided by board-approved loan policies or procedures, and that will be able to provide access to small business loans for eligible Minnesota-based borrowers in accordance with Responder’s lending program and SBLPP guidelines.
2. Is a certified CDFI loan fund or a non-certified nonprofit loan fund that meets the criteria of a community development financial institution, including:
   * + Having a primary mission of promoting community development;
     + Serving an investment area or targeted population;
     + Providing development services in conjunction with loans;
     + Maintaining accountability, through its governing board or otherwise to residents of its investment area or targeted population;
3. Is able to provide its business filing record from the Office of the Minnesota Secretary of State showing it is a nonprofit corporation in good standing with the State of Minnesota (must attach to Technical Response);
4. Have a small business loan portfolio in which a majority of loans are made to Minnesota-based businesses.
5. Have adequate processes in place for: loan approval, documentation, servicing, collections, reporting, and tracking of program within financial systems. Include descriptions of any software used, as appropriate.
6. Demonstrate that the Responder has sufficient private capital to begin to immediately originate loans that will be enrolled in the Program and, if applicable, provide additional detail for how the Responder expects to raise additional loan capital.

If applicable, the narrative attachment should include how the organization meets any Desired Qualifications as outlined in Section 2 – Summary of Scope, Clause 6. Responders who meet or exceed the Desired Qualifications may receive higher scores than those who do not.

Systems: This Program requires detailed reporting standards that demonstrate data integrity, monitoring, and risk management controls being utilized consistently by all key personnel and leadership. Responder should provide narrative evidence of how these standards will be met and may attach additional documentation to reflect the use of management and financial systems, internal control policies, governing board and loan committee oversight, and loan portfolio and client level reporting capabilities.

1. Adequate financial resources to support the staffing increases and infrastructure improvements needed to undertake an increased number of financial transactions.
2. Evidence of an active small business lending program, risk based underwriting standards, collection management and loss reserve requirements, and a low percentage of late payments or delinquencies resulting in write off or charge off based on evidence of monitoring of performance.
3. Evidence of systems, policies, and procedures in place to accommodate an increase in transaction volume.
4. Reasonable assurance that the funds from the program are safe guarded against waste, loss, unauthorized use, or misappropriation demonstrated through annual audit results, management letters, periodic internal audits, and loan program policies and procedures.
5. History of positive performance and in-depth knowledge related to managing federal or state funding resources in accordance with the required outcomes, funds management, and reporting.

# Loan Policies and Financial Information. Responders should submit their most recent board-approved loan policies and, if applicable, other organization policies relevant to the organization’s lending program. DEED will evaluate these policies to determine whether Responder’s lending program aligns with SBLPP needs. Responders must submit their most recent audited financial statements and Form 990 for their most recent fiscal year. DEED will evaluate these documents to determine whether Responder has a small business lending program, the capacity to participate in SBLPP, including whether the organization is sufficiently capitalized to be able to originate loans that will be enrolled in the Program and whether the organizational and financial capacity exist to manage participation in the Program. Relevant documents should be submitted as an attachment to the Technical Proposal.

## In addition to the required attachments, Responder may provide supplemental narrative to demonstrate how its submitted loan policies and financials demonstrate the organization has:

1. Loan capital on hand that will enable immediate participation in the Program (financial statements should confirm amounts) and, if needed, a plan to raise additional loan capital that may be needed to make the proposed loans; and
2. Adequate processes in place for: loan approval, documentation, servicing, collections, reporting, and tracking of Program within financial systems.

# Cost Detail. Complete and submit Attachment E, “Cost Proposal,” attached to this solicitation.

# Sample Transaction and Pre-Contract Documents. Sample transaction documents will not be scored as part of the evaluation process. Prior to award, a potential successful Responder must submit IRS determination letter, organization Articles and Bylaws, CDFI certification number, if applicable, and samples of loan documents proposed for use under the resulting contract. Responder should also plan to provide a resolution authorizing participation in the Program prior to contract execution. The State will review the loan documents to ensure they sufficiently evidence the ability of Responder to document and secure loans that would have participations requested from SBLPP. Once reviewed by the State, lender must advise the State of proposed material changes to its template loan documents prior to closing on a loan that has been enrolled in the Program and that will use the updated templates.

Submit all requested documentation, including, but not limited to, the following documents:

1. Attachment A: Loan Detail Projections
2. Attachment B: Outreach Strategy
3. Attachment C: Responder Declarations
4. Attachment D: Exceptions to State's Terms and Conditions
5. Attachment E: Cost Proposal
6. Attachment F: Responder Forms
   1. Workforce and Equal Pay Declaration Page
   2. Workforce Certification Form
   3. Equal Pay Certificate Form

**DO NOT INCLUDE Non-Public/Trade Secret data (as defined by Minn. Stat. § 13.37).**

SECTION 5 – EVALUATION PROCEDURE AND CRITERIA

The State will conduct an evaluation of responses to this Solicitation. The evaluations will be conducted in three phases:

Phase 1 - Review responses for responsiveness and pass/fail requirements

Phase 2 - Evaluate responses

Phase 3 - Select finalist(s)

# Phase 1 – Responsiveness and Pass/Fail Requirements

The purpose of this phase is to determine if each response complies with mandatory requirements. The State will first review each proposal for responsiveness to determine if the Responder satisfies all mandatory requirements. The State will evaluate these requirements on a pass/fail basis.

Mandatory Requirements. The following will be considered on a pass/fail basis:

* Responses must be received by the due date and time specified in this RFP.
* Responder must be a nonprofit corporation in good standing with the state of Minnesota demonstrated by attaching the business filing record from the Office of the Minnesota Secretary of State.
* Responder’s third-party audit must demonstrate that the organization is non-depository and has a small business lending program.
* Responder must complete Attachment A: Loan Detail Projections.
* Responder must complete Attachment B: Outreach Strategy.

# Phase 2 - Evaluate Responses

Only those responses found to have met Phase 1 criteria will be considered in Phase 2.

The factors and weighting on which responses will be evaluated are:

1. Work Plan 300 points
2. Qualifications and Experience 400 points
3. Loan Policies and Financial Information 200 points
4. Cost Proposal 100 points

1000 points

Preference points are described under Solicitation Terms and will be applied to the total score after points have been awarded.

# Phase 3 - Select Finalist(s)

Only those responses that have been evaluated under Phase 2 shall be eligible for Phase 3.

The State will make its selection based on best value, as determined by this evaluation process. The State reserves the right to pursue negotiations on any exception taken to the State’s standard terms and conditions. In the event that negotiated terms cannot be reached, the State reserves the right to terminate negotiations and begin negotiating with the next highest scoring Responder or take other actions as the State deems appropriate. If the State anticipates multiple awards, the State reserves the right to negotiate with more than one Responder.

It is anticipated that the evaluation and selection will be completed by July 2024.

SECTION 6 – SOLICITATION TERMS

# Competition in Responding

The State desires open and fair competition. Questions from Responders regarding any of the requirements of the Solicitation must be submitted in writing to the Solicitation Administrator listed in the Solicitation before the due date and time. If changes are made the State will issue an addendum.

Any evidence of collusion among Responders in any form designed to defeat competitive responses will be reported to the Minnesota Attorney General for investigation and appropriate action.

# Addenda to the Solicitation

Changes to the Solicitation will be made by addendum with notification and posted in the same manner as the original Solicitation. Any addenda issued will become part of the Solicitation.

# Data Security - Foreign Outsourcing of Work is Prohibited

All storage and processing of information shall be performed within the borders of the United States. This provision also applies to work performed by subcontractors at all levels.

# Joint Ventures

The State allows joint ventures among groups of Responders when responding to the solicitation. However, one Responder must submit a response on behalf of all the others in the group. The Responder that submits the response will be considered legally responsible for the response (and the contract, if awarded).

# Withdrawing Response

A Responder may withdraw its response prior to the due date and time of the Solicitation. For solicitations in the SWIFT Supplier Portal, a Responder may withdraw its response from the SWIFT Supplier Portal. For solicitations done any other way, a Responder may withdraw its response by notifying the Solicitation Administrator in writing of the desire to withdraw.

After the due date and time of this Solicitation, a Responder may withdraw a response only upon showing that an obvious error exists in the response. The showing and request for withdrawal must be made in writing to Solicitation Administrator within a reasonable time and prior to the State’s detrimental reliance on the response.

# Rights Reserved

The State reserves the right to:

* Reject any and all responses received;
* Waive or modify any informalities, irregularities, or inconsistencies in the responses received;
* Negotiate with the highest scoring Responder[s];
* Terminate negotiations and select the next response providing the best value for the State;
* Consider documented past performance resulting from a State contract may be considered in the evaluation process;
* Short list the highest scoring Responders;
* Require Responders to conduct presentations, demonstrations, or submit samples;
* Interview key personnel or references;
* Request a best and final offer from one or more Responders;
* The State reserves the right to request additional information ; and
* The State reserves the right to use estimated usage or scenarios for the purpose of conducting pricing evaluations. The State reserves the right to modify scenarios, and to request or add additional scenarios for the evaluation.

# Samples and Demonstrations

Upon request, Responders are to provide samples to the State at no charge. Except for those destroyed or mutilated in testing, the State will return samples if requested and at the Responder’s expense. All costs to conduct and associated with a demonstration will be the sole responsibility of the Responder.

# Responses are Nonpublic during Evaluation Process

All materials submitted in response to this Solicitation will become property of the State. During the evaluation process, all information concerning the responses submitted will remain private or nonpublic and will not be disclosed to anyone whose official duties do not require such knowledge. Responses are private or nonpublic data until the completion of the evaluation process as defined by Minn. Stat. § 13.591. The completion of the evaluation process is defined as the State having completed negotiating a contract with the selected Responder. The State will notify all Responders in writing of the evaluation results.

# Trade Secret Information

## Responders must not submit as part of their response trade secret material, as defined by Minn**. Stat.** § **13.37.**

## **In the event** trade secret data are submitted, Responder must **defend any action seeking release of data it believes to be trade secret, and indemnify and hold harmless the State, its agents and employees, from any judgments awarded against the State in favor of the party requesting the data, and any and all costs connected with that defense.**

## **The State does not consider cost or prices to be trade secret material, as defined by** Minn**. Stat.** § **13.37.**

## **A Responder may present and discuss trade secret information during an interview or demonstration with the State, if applicable.**

# Conditions of Offer

Unless otherwise approved in writing by the State, Responder’s cost proposal and all terms offered in its response that pertain to the completion of professional and technical services and general services will remain firm for 180 days, until they are accepted or rejected by the State, or they are changed by further negotiations with the State prior to contract execution.

# Award

Any award that may result from this solicitation will be based upon the total accumulated points as established in the solicitation. The State reserves the right to award this solicitation to a single Responder, or to multiple Responders, whichever is in the best interest of the State, providing each Responder is in compliance with all terms and conditions of the solicitation. The State reserves the right to accept all or part of an offer, to reject all offers, to cancel the solicitation, or to re-issue the solicitation, whichever is in the best interest of the State.

# Requirements Prior to Contract Execution

Prior to contract execution, a Responder receiving a contract award must comply with any submittal requests. A submittal request may include, but is not limited to, a Certificate of Insurance.

# Targeted Group, Economically Disadvantaged Business, Veteran-Owned and Individual Preference

Unless a greater preference is applicable and allowed by law, in accordance with Minn. Stat. § 16C.16, businesses that are eligible and certified by the State as targeted group (TG) businesses, economically disadvantaged (ED) businesses, and veteran-owned businesses will receive points equal to 12% percent of the total points available as preference.

For TG/ED/VO certification and eligibility information visit [the Office of Equity in Procurement website at https://mn.gov/admin/business/vendor-info/oep/](https://mn.gov/admin/business/vendor-info/oep/) or call the Division’s Helpline at 651.296.2600.

# Reciprocity

State shall comply with Minn. Stat. § 16C.06, subd. 7, as that applies to a non-resident vendor. This paragraph does not apply for any project in which federal funds are expended.

1. The American Rescue Plan Act of 2021; Title III Committee on Banking, Housing and Urban Affairs; Subtitle C-Small Business (SSBCI); Sec. 3301 State Small Business Credit Initiative. [↑](#footnote-ref-2)
2. Public Law 111-240 – September 27, 2010; Title III-State Small Business Credit Initiative [↑](#footnote-ref-3)