



**REQUEST FOR PROPOSAL  
For: SSBCI CDFI Program**

**Introduction:**

The American Rescue Plan Act provides for, among other things, the reauthorization of the State Small Business Credit Initiative (“SSBCI”), which was enacted to provide financial support to small businesses. The Rhode Island Commerce Corporation (the “Corporation”) is seeking proposals to deploy these funds in a manner that fills the financing needs of small businesses that presently are not being met by public and private lenders. Because of tight credit markets, more stringent underwriting standards and other economic factors, many small businesses have experienced difficulties in accessing the capital needed to both maintain operations and to grow their businesses. The Corporation will utilize the SSBCI funding to create programs that fill financing gaps in the most efficient and effective manner possible.

This document constitutes a Request For Proposals (“RFP”), in a competitive format, to entities (“Applicants”) seeking to participate as a Rhode Island situated Community Development Financial Institution (“CDFI”) that will carry out SSBCI financing programs in partnership with the Corporation. Applicants selected through the RFP process will work with the Corporation to extend credit or equity investments to qualifying small businesses headquartered within Rhode Island (“Permissible Borrowers”) for eligible business purposes (“Business Purposes”). Applicants to this RFP shall provide a proposal, in accordance with the terms and conditions set forth herein, to a facilitate a SSBCI program(s).

Under SSBCI, a state is eligible for federal contributions in relation to Capital Access Programs (“CAPs”), which take the form of loan portfolio insurance programs and Other State Capital Programs (“OSCPs”), which may include, among others, loan participation programs, collateral support programs, state-sponsored venture capital programs and loan guarantee programs.

In responding to this RFP, Applicants are encouraged to create, design, or offer programs, that best meet the needs of small businesses in communities across Rhode Island, including, but not limited to, small businesses with less capacity to weather financial hardship such as very small businesses, those with less credit, minority or women-owned businesses, or those businesses serving disadvantaged communities.

The information provided in this RFP related to SSBCI is for informational purposes and Applicant’s are advised to undertake their own independent research and determination relative to federal requirements. To the extent of any conflict or inconsistency between information provided herein and federal law or guidance published or provided by the U.S. Treasury Department, such federal law or guidance shall control.

For specifics regarding Eligible Applicants, Matching Requirements, Permissible Borrowers, Capital at Risk, Eligible Loans or Investment to Businesses, and more, review the U.S. Treasury Department's November 2021 *Capital Program Policy Guidelines*:

<https://home.treasury.gov/system/files/256/SSBCI-Capital-Program-Policy-Guidelines-November-2021.pdf>

### **Eligible Applicants**

Eligible Applicants include any entity that is qualified and eligible to establish a CDFI in Rhode Island or is currently a CDFI that has the capability to locate and operate in Rhode Island over the duration of the SSBCI program.

An eligible Applicant must have the capability to staff a location in Rhode Island and have sufficient expertise to analyze small business financing applications, evaluate the creditworthiness of small businesses, and regularly monitor small business transactions. The Corporation will rely upon the Applicant to review every application in order to determine, among other things, the feasibility of the proposed use of the requested financing by the small business applicant, the likelihood of repayment and the potential that the transaction will generate economic development and jobs within Rhode Island as well as compliance with SSBCI program requirements.

### **Matching Requirements**

The matching requirements for each proposed program of a CDFI must be in compliance with SSBCI requirements, which require a minimum match of 1:1.

In addition, states are required to demonstrate a reasonable expectation that all of its programs taken together have the ability to use federal contributions to general small business lending and investment at least 10 times the federal contribution amount. As such, SSBCI programs that are designed to achieve private financing in excess of the minimum 1:1 match will receive preference in scoring under the metrics set forth below.

### **Permissible Borrowers**

Provided that the loan is for an eligible Business Purpose, Permissible Borrowers include (but are not limited to) the following types of small businesses: state-designated charitable, religious, or other nonprofit or philanthropic institutions; government-owned corporations; consumer and marketing cooperatives; faith-based organizations; sole proprietors; independent contractors; worker cooperatives and other employee-owned entities; and Tribal enterprises. CAP and OCSP requirements for number of employees vary. Please view the Capital Program Policy Guidelines for more information.

Small businesses must be headquartered in Rhode Island. The Corporation may impose additional limitations at its discretion.

## **Capital at Risk**

SSBCI programs mandate that lenders or investors, through a program that provides loans, investments or other credit or equity support, have a meaningful amount of their own capital at risk. Please view the Capital Program Policy Guidelines for more information.

## **Eligible Loans or Investments to Businesses**

All loans or investments must be made for a “business purpose”, which includes, but is not limited to, startup costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction, renovation or tenant improvements of an eligible place of business that is not for passive real estate investment.

The term “business purpose” generally excludes activities that relate to acquiring or holding passive investments such as commercial real estate ownership, the purchase of securities and lobbying activities. Some limited exceptions apply in relation to loans involving real estate and purchase of ownership interest as detailed in the U.S. Treasury Department *Capital Program and Policy Guidelines*.

Investment proceeds may not be used for the following purposes:

1. Repay a delinquent federal or state income taxes unless the borrower has payment plan in place with the relevant taxing authority; or
2. Repay taxes held in trust or escrow, e.g. payroll or sales taxes; or
3. Reimburse funds owed to any owner, including any equity injection or injection of capital for the business’ continuance; or
4. Purchase any portion of the ownership interest of any owner of the business.

Loans or investments must have an average principal amount of \$5 million or less, and not provide credit or investment support if a given transaction exceeds \$20 million.

- For loan programs, the \$20 million limit applies to the principal amount of the loan directly supported by SSBCI funding, plus all other loans for the same loan purpose that close on or about the same date. Direct SSBCI funding support includes a guarantee, cash collateral and loan participation.
- For equity investment programs, the \$20 million limitation applies to a single investment round that includes SSBCI-funded investment, including all classes of equity instruments that close on or about the same date.

Also, applicants must be legally able to receive and use the proceeds as herein stated; meet any other requirements herein stated for the specific purpose of the SSBCI program; and be in good standing with any other Corporation assistance.

## **Proposal Requirements:**

In order to be considered responsive, proposals must at a minimum contain the following:

All proposals shall provide information relating to the elements listed in sufficient detail to allow the Corporation to conduct a selection process. Failure to include any of the following information may have an adverse impact on the evaluation of a proposal. A submission must at a minimum, include the following elements:

### **1. Funds Requested**

State the amount of funds requested from the proposed SSBCI program.

### **2. Please Describe in Detail the Proposed Program**

The Applicant shall provide a detailed description of the proposed SSBCI program (e.g. CAP program, loan participation program, collateral support program, state-sponsored or loan guarantee program). An applicant proposing a venture capital program should complete **Appendix F** in lieu of this section. For each proposed program (other than venture capital programs), the Applicant shall provide qualification parameters, industry focus, range of investment amounts

- Use of funds
- Need for this type of capital
- Intended economic benefits and outcomes
- Qualification parameters
- Industry focus (if applicable)
- Geographic focus (if applicable)
- Range of investment amounts
- Loan product (term, rate, etc.)
- Strategy for achieving the 10:1 Private Financing Ratio
- Key partners
- Experience offering this or similar programs

For loan participation programs also include:

- Type of program (co-lending and/or purchase participation)
- Range of expected participation percentages
- Factors for determining participation percentages

Applicants shall also submit the appropriate table for the specific program proposed (CAP program, loan participation program, collateral support program, state-sponsored venture capital program or loan guarantee program). See **Appendices A – E** and be sure to complete each sheet in the excel workbook for each proposed program.

Applicants shall include a detailed narrative of assumptions for their estimates contained in the foregoing table(s) that accompany their response to this RFP.

Applicants seeking to establish a venture capital program are required to include the additional information set forth on **Appendix F** in lieu of sections 2-10.

### **3. Organizational Information**

Describe the organization's status as an eligible entity that is able to administer the proposed SSBCI program and its ability to locate offices and operate in Rhode Island. To the extent the Applicant is proposing to create a new Rhode Island based CDFI please include all major steps taken and/or to be taken to form such entity and the timeline for completion.

### **4. Target Market**

Identify the audiences you intend to target. How does this project respond to a need in the communities you will serve? Please provide relevant data and cite sources. Will you provide a unique service or product in your target area(s). Include three (3) examples of loans or investments that your institution ordinarily wouldn't make but could be made under this program. Summarize projected Rhode Island small business lending or investment volume over next two years if an award is received. Summarize projected outcomes, including job creation and business launch or expansion outcomes.

### **5. Management and Operations**

Describe the capacity, skills, size and experience of the Applicant's management team, partners and key staff, including members of the loan or investment review committee. Describe the capacity, skills, size and experience of the Applicant's governing board. Include a list of names and affiliations of its Board of Directors or other governing body.

### **6. Track Record**

Describe the organization's capital structure for lending or investment activities. Describe how the capital structure has changed over the past 3-5 years, what funds have been raised during that period, and how the capital structure is expected to change moving forward. Include a breakdown of the following:

- a) total loan or investment funds (including what amounts are from debt, grant funds, and earned income)
- b) funds committed or deployed
- c) funds available for lending or investment and the source funding (e.g. private or public source)

### **7. Technical Assistance**

Describe existing and/or proposed technical assistance services, including information on types of technical assistance and training available, target population and geography volume of services provided, demonstrated outcomes, and whether services are provided by the Applicant or through partnerships. Describe the connection between technical assistance and the financial products and services provided by the Applicant, including pre- and post-loan support. If technical assistance is not a component of your proposal please indicate as much in the response to this RFP.

## **8. Marketing and Outreach**

Describe how the Applicant organization will utilize community partnerships of joint ventures and coordinate its efforts with other organizations or technical assistance providers to increase volume, expand the service delivery area, or enhance services.

Describe how the Applicant organization will market its program and related services in the target markets. The marketing plan should also contain strategies that will target the service delivery region as a whole and reach certain market subsets in specific communities, such as in underserved neighborhoods or to MWBEs.

## **9. Data**

Describe the financial and socioeconomic borrower data that the Applicant regularly collects and/or is able to collect.

Describe the method by which the Applicant collects and monitors this data.

## **10. Controls**

Describe the internal accounting and administrative controls of the applicant and the extent to which such systems can provide reasonable assurance that the SSBCI funds will be safeguarded against waste, loss, unauthorized use, and misappropriation. For example, provide evidence of one or more of the following:

- Periodic internal audits.
- Annual independent audits (including management letters).
- Program financial statements current within the past year.
- Adequate accounting and financial management systems.

## **11. Certification**

Provide the Certification Form annexed hereto as **Appendix G** for any program other than venture capital proposal. For a venture capital program submit the Certification Form contained in **Appendix F**.

**Criteria for Selection:**

Those proposals for this RFP that are determined to be responsive will be further evaluated according to the criteria outlined below.

	<b>Points</b>
<b>OVERALL EXPERIENCE OF ENTITY &amp; DEMONSTRATED RESULTS</b> Our evaluation will include an assessment of the history of your organization, your experience as it relates to the requirements within this RFP, evidence of past performance, quality and relevance of past work, references, and related items.	25
<b>POTENTIAL ECONOMIC IMPACT</b> Our evaluation will include an assessment of the short and long-term potential impact of the proposed program.	25
<b>STRATEGIC APPROACH</b> Our evaluation will include an assessment of the overall approach and strategy described/outlined in the proposal, including demonstration of business need for the proposed effort, target market(s), level of expected lending activity. Our evaluation will include an assessment of the businesses to be supported by the proposal. Specific consideration will be paid to proposals that support minority-business enterprises, women-business enterprises, and veteran-business enterprises, as well as those located in disproportionately impacted census tracts.	25
<b>ABILITY TO EXECUTE PROPOSED APPROACH</b> Our evaluation will include an assessment of the Applicant’s capacity to perform the engagement within the specified timeframe (prior experience of the Applicant in meeting timelines will be factored in here) as well as implementation plan of the Applicant	25
Total	100
MBE/WBE/DisBE Participation (additional potential points)	6 pts

**NOTE:** Designated Corporation staff or selected advisors will evaluate the written proposals. The Corporation may at any time during the evaluation process seek clarification from Applicants regarding any information contained within their proposal. Final scores for each respondent will reflect a consensus of the evaluations. Any attempt by an Applicant to contact a member of Corporation staff or selected advisors outside the RFP process, in an attempt to gain knowledge or an advantage, may result in disqualification of the Applicant.

1. ISBE Participation Evaluation (see below for scoring)
  - a. The Rhode Island Commerce Corporation encourages MBE/WBE/DisBE participation in this Request. In accordance with Title 37, Chapter 14.1, and Title

37, Chapter 2.2 of the Rhode Island General laws, the Corporation reserves the right to apply additional consideration to MBE/WBE/DisBE up to six (6) additional points in the scoring evaluation as provided below:

- b. Calculation of ISBE Participation Rate
  - i. ISBE Participation Rate for Non-ISBE Vendors. The ISBE participation rate for non-ISBE vendors shall be expressed as a percentage and shall be calculated by dividing the amount of non-ISBE vendor's total contract price that will be subcontracted to ISBEs by the non-ISBE vendor's total contract price. For example, if the non-ISBE's total contract price is \$100,000.00 and it subcontracts a total of \$12,000.00 to ISBEs, the non-ISBE's ISBE participation rate would be 12%.
  - ii. ISBE Participation Rate for ISBE Vendors. The ISBE participation rate for ISBE vendors shall be expressed as a percentage and shall be calculated by dividing the amount of the ISBE vendor's total contract price that will be subcontracted to ISBEs and the amount that will be self-performed by the ISBE vendor by the ISBE vendor's total contract price. For example, if the ISBE vendor's total contract price is \$100,000.00 and it subcontracts a total of \$12,000.00 to ISBEs and will perform a total of \$8,000.00 of the work itself, the ISBE vendor's ISBE participation rate would be 20%.
- c. Points for ISBE Participation Rate:
  - i. The vendor with the highest ISBE participation rate shall receive the maximum ISBE participation points. All other vendors shall receive ISBE participation points by applying the following formula:

(Vendor's ISBE participation rate ÷ Highest ISBE participation rate X Maximum ISBE participation points)

For example, assuming the weight given by the RFP to ISBE participation is 6 points, if Vendor A has the highest ISBE participation rate at 20% and Vendor B's ISBE participation rate is 12%, Vendor A will receive the maximum 6 points and Vendor B will receive  $(12\% \div 20\%) \times 6$  which equals 3.6 points.

See Appendix H for information and the MBE, WBE, and/or Disability Business Enterprise Participation Plan form(s). Bidders are required to complete, sign and submit these forms with their overall proposal in a sealed envelope. Please complete separate forms for each MBE, WBE and/or Disability Business Enterprise subcontractor/supplier to be utilized on the solicitation

### **Instructions and Notifications to Applicants**

1. Potential Applicants are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.



2. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals that depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive.
3. All costs associated with developing or submitting a proposal in response to this RFP, or to provide oral or written clarification of its content, shall be borne by the Applicant. The Corporation assumes no responsibility for such costs.
4. Proposals are considered to be irrevocable for a period of not less than 120 days following the date set for submission of proposals.
5. All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.
6. Proposals misdirected to other locations, or that are otherwise not present at the Rhode Island Commerce Corporation by the submission deadline for any cause will be determined to be late and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Rhode Island Commerce Corporation.
7. All proposals should identify the proposed team of professionals, including those employed by subcontractors, if any, along with respective areas of expertise and relevant credentials. Applicant should also provide a delineation of the portion of the scope of work for which each of these professionals will be responsible.
8. All proposals should include the Applicant's FEIN or Social Security number as evidenced by a W9, downloadable from <https://www.irs.gov/pub/irs-pdf/fw9.pdf>.
9. All proposals should include a completed RFP Response Certification Cover Form, included in this document.
10. The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds and made at the discretion of the Corporation.
11. Awarding this RFP is based on the Evaluation Criteria set forth in this RFP. Vendors are advised, however, that all materials and ideas submitted as part of this proposal and during the performance of any award shall be the property of and owned by the Corporation, which may use any such materials and ideas.
12. Interested parties are instructed to peruse the Corporation's website ([www.commerceri.com](http://www.commerceri.com)) on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP. Addenda will also be posted to the Rhode Island State Division of Purchases' website at [www.purchasing.ri.gov](http://www.purchasing.ri.gov).

13. Equal Employment Opportunity (R.I. Gen. Laws § 28-5.1-1, et seq.) – § 28-5.1-1 Declaration of policy – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies to all areas where State dollars are spent, in employment, public services, grants and financial assistance, and in state licensing and regulation.
14. In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no corporation organized under the laws of another state or country shall have the right to transact business in Rhode Island until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This is a requirement only of the successful bidder.
15. The Applicant should be aware of the State’s Minority Business Enterprise (MBE) requirements, which address the State’s goal of ten percent (10%) participation by MBE’s in all procurements. For further information, visit the website [www.mbe.ri.gov](http://www.mbe.ri.gov).
16. The Corporation reserves the right to award to one or more Applicants.

### **Proposal Submission**

Responses to this RFP are due no later than January 28, 2022 at 5:00 p.m. One (1) electronic (PDF) version must be emailed by that time to [SSBCIRFP@commerceri.com](mailto:SSBCIRFP@commerceri.com). In addition, it is *requested* (not required) that three printed copies of the complete proposal be received by the Corporation at the address below by 5:00 pm on January 31st:

Rhode Island Commerce Corporation  
Attention: **SSBCI CDFI Program RFP**  
315 Iron Horse Way, Suite 101  
Providence, RI 02908

Questions, interpretations, or clarifications concerning this RFP should be directed by e-mail to [SSBCIRFP@Commerceri.com](mailto:SSBCIRFP@Commerceri.com) no later than 5:00 pm on January 18th. Responses to questions, interpretations, or clarifications concerning this RFP will be posted online via addendum at [www.commerceri.com](http://www.commerceri.com) and [www.ridop.ri.gov](http://www.ridop.ri.gov) on January 21<sup>st</sup> to ensure equal awareness of important facts and details.

*The Rhode Island Commerce Corporation reserves the right to terminate this solicitation prior to entering into any agreement with any qualified firm pursuant to this Request for Proposal, and by responding hereto, no firms are vested with any rights in any way whatsoever.*

*Rhode Island Commerce Corporation reserves the right to reject any or all proposals for not complying with the terms of this RFP.*



Program	
<b>Program Name:</b>	
Output	
<b>Maximum Leverage Ratio:</b>	<b>0.00</b>
General Assumptions	
Amount to be Allocated to Program	
Time until recycling (yrs)	
Time Horizon (yrs)	
Average % Participation	
Assumed Loss %	

Portfolio Composition Assumptions		
Loan Tenor (yrs)	Multiple	% of total portfolio
1	1.00	
3	1.00	
5	1.00	
10	1.00	
Total		0%

Notes

Time Until Recycling: Generally SSBCI funds are to be drawn down before using recycled funds from previous lending. Enter the number of years needed for SSBCI funding to be expended before cycling through the proposed program.

Time Horizon: Enter the number of years the program is expected to remain in operation up to ten years.

Average % Participation: Enter the average percentage of the principal loan amount the SSBCI funds are expected to make up. Enter values as integers (e.g. 10% should be entered as 10).

Assumed Loss %: Enter the average percent of total loan losses as a percentage of total lending.

Loan Tenor (yrs): Enter the different types of loan tenors to be available under the proposed program.

Percentage of Portfolio: Enter the percentage of the total loan portfolio expected to be composed by a given loan tenor. The sum should equal 100%. Enter values as integers.



Capital Access Program

Program	
<b>Program Name:</b>	
Output	
<b>Maximum Leverage Ratio:</b>	<b>25.00</b>
General Assumptions	
Amount to be Allocated to Program	\$ 5,000,000
Federal Contributions	2%
Borrower Premium Contribution	1%
Financial Institution Lender Premium Contribution	1%
<b>Total Loan Loss Reserve Percentage</b>	<b>4%</b>





**Collateral Support Program**

Program	
<b>Program Name:</b>	
Output	
<b>Maximum Leverage Ratio:</b>	<b>0.00</b>
General Assumptions	
Amount to be Allocated to Program	
Time until recycling (yrs)	
Time Horizon (yrs)	
Avg % of principal as Collateral Support	
Assumed Loss %	

Portfolio Composition Assumptions			
Loan Tenor	Term of Collateral Support	Multiple	% of total portfolio
1	1	1	
3	3	1	
5	3.5	1	
10	7	1	
Total			0%



**Loan Guarantee Program**

Program	
<b>Program Name:</b>	
Output	
<b>Maximum Leverage Ratio:</b>	<b>0.00</b>
General Assumptions	
Amount to be Allocated to Program	
Time until recycling (yrs)	
Time Horizon (yrs)	
Average % Loan Guarantee	
% of Guarantee set aside as cash reserve	
Assumed loss %	

Portfolio Composition Assumptions		
Loan Tenor (yrs)	Multiple	% of total portfolio
revolving		
1	1	
3	1	
5	1	
10	1	
Total		0%

**Notes**

Time Until Recycling: Generally SSBCI funds are to be drawn down before using recycled funds from

Time Horizon: Enter the number of years the program is expected to remain in operation up to ten

Average % Guaranty: Enter the average percentage of the principal loan amount that is expected to be guaranteed by the program. Enter values as integers (e.g. 10% should be entered as 10).

% of Guarantee Set Aside as Cash Reserve: Enter the average percentage of the guaranteed amount that is expected to be set aside as cash reserves. This will generally be equal to the percentage of the guaranteed amount expected to be covered by the SSBCI funds. Enter values as integers.

Assumed Loss %: Enter the average percent of total loan losses as a percentage of total lending.

Loan Tenor (yrs): Enter the different types of loan tenors to be available under the proposed program.

Percentage of Portfolio: Enter the percentage of the total loan portfolio expected to be composed by a given loan tenor. The sum should equal 100%. Enter values as integers.

Multiple: For revolving loan products, if applicable, enter the number of time the loan principal is expected to be disbursed.



Equity/Venture Capital Program

Program	
Program Name:	
Output	
Maximum Leverage Ratio:	0.00
General Assumptions	
Amount to be Allocated to Program	\$ -

Portfolio Composition Assumptions				
Funding Round	Federal Funds %	Round Success %	Cumulative Success %	Round Size (\$000's)
1	0%		100.00%	\$ -
2	0%	0%	0.00%	\$ -
3	0%	0%	0.00%	\$ -
4	0%	0%	0.00%	\$ -
5	0%	0%	0.00%	\$ -
6+	0%	0%	0.00%	\$ -

**Portfolio Composition Assumptions:** For this type of OCSP, each funding round is defined as a round of funding for a given investment. If more than six funding rounds are expected, average the estimates for subsequent funding rounds into the values for Funding Round 6+.

- a. **Federal Funds %:** Enter the percentage of each funding round expected to be made up of SSBCI funds.
- b. **Round Success %:** Enter the dollar-weighted average probability of successfully closing on each round of funding.
- c. **Round Size (\$000's):** Enter the dollar-weighted average amount of capital raised at each round of funding in thousands. (e.g. \$450,000 should be entered as 450).

## **APPENDIX F**

### **I. Fund Manager Responsibilities**

The Fund manager's principal responsibilities will be as listed below. This list is provided for guidance to Applicants but does not limit the responsibilities that may be included in the Fund manager's contract, which may be revised or be augmented as a result of the RFP and contracting process.

1. **Fund Formation:** Establish the legal and organizational structure of the Fund, including formation of the investment committee, establishment of the legal structure, institution of accounting processes, and reporting processes which satisfy the U.S. Treasury guidelines of the SSBCI program.
2. **Strategic Plan and Budget:** Develop the Fund's strategic plan and budget, including guidelines for investment selection, structure, and supervision.
3. **Relationships and Publicity:** Establish relationships with a wide range of educational, research, economic development, venture development, and investment organizations, to ensure that investment candidates are aware of the Fund and that it can attract a wide range of co-investors. This includes outreach to SEDI and Very Small Businesses as defined by U.S. Treasury SSBCI guidelines.
4. **Investment Evaluation and Selection:** Establish and manage the evaluation and selection process for investment candidates.
5. **Transactions:** Structure and negotiate investment transactions that comply with the U.S. Treasury SSBCI guidelines, including legal and reporting documentation.
6. **Oversight:** Establish practices for oversight of portfolio companies, including as appropriate, board membership and advisory roles, and compliance with federal reporting.
7. **Conflicts of Interest:** Establish practices based on U.S. Treasury SSBCI guidelines to uncover and avoid potential conflicts of interest.
8. **Reporting:** Provide quarterly and annual reports on Fund activities in accordance with U.S. Treasury SSBCI guidelines. Reports shall include, investment performance, leverage, and results, including employment.
9. **Compliance:** Establish reporting mechanisms, audits, and other internal controls and compliance activities to enable compliance with the U.S. Treasury SSBCI program.

All the above responsibilities must be executed in accordance with the U.S. Treasury requirements and enabling legislation.

## **II. Qualifications**

Applicants must be incorporated or organized under Rhode Island law or qualified to do business in Rhode Island. Individuals primarily responsible for providing management services to the Fund on behalf of the Applicant must have an established business presence in Rhode Island and perform such services primarily from within Rhode Island.

The proposed Fund management team must have experience relevant to all the responsibilities listed above, as well as a long-term commitment to the mission and operation of the Fund. Of particular importance is the team's depth and a successful track record making and exiting from investments in entrepreneurial ventures. The Corporation recognizes that the level of appropriate management fees from the Fund will not enable the Fund manager to directly hire all this expertise and that advisors, co-investors, and other relationships will be an important component of Fund management. Therefore, experience leveraging related resources such as universities, the business community, other financing institutions, and relevant government and non-governmental organizations and programs, will be viewed as valuable.

## **III. Responses to RFP**

Responses to this RFP must include the following:

### **1. General information:**

Primary Contact Person  
Organization  
Address / Phone / Email

### **2. Business Plan:**

Applicant should provide a business plan that addresses how it would pursue the mission of the Fund and execute the responsibilities of the Fund manager in accordance with the SSBCI guidelines. The business plan should include a description of the Applicant's background, nature of business activities, and experience, demonstrate a comprehensive understanding of the Fund's objectives, the federal guidelines that govern the Fund's operation, and present the intended approach to Fund management, including information on how the Fund intends to reach out to socially and economically disadvantaged individuals (SEDI). Applicants should include, as appropriate to their situation:

- Qualifications, including full chronological resumes of principals, expected organizational chart for the Fund, including board, advisors, and staff. Applicants should be specific about the expected source of expertise to meet the Fund manager responsibilities listed above.
- Name of individuals who Applicant would expect to appoint as its advisory board member.
- Expected structure (include minimum / maximum SSBCI investment into the proposed fund, and anticipated amount of private funds raised, if any), plan, and timetable for launch of the Fund (within 90 days of Treasury department approval of Rhode Island's SSBCI plan.)

- Expected criteria for investments and the capital deployment model.
- Expected range of investment size and structure. Please include minimum and maximum investment amounts, max percentage of investment round (do not exceed 50%), and type of investments (e.g., equity, preferred equity, subordinated debt, etc.).
- Expected services the Fund will provide to support portfolio companies.
- Expected requirements or restrictions for portfolio companies.
- Expected administrative budget (please include D&O insurance, formation costs, and annual audit expenses) and fee structure (this must conform with SSBCI Treasury department guidelines)
- Expected limitations on use of investment proceeds.
- Expected process for negotiating and approving investment terms.
- Expected process for determining and documenting the “cause and result” of private capital leverage related to the investment. In addition, please complete the [leverage ratio table](#) for your VC program (see attached)
- Expected process for monitoring compliance and performance of outstanding investments.
- Expected process for addressing investment write-offs.
- Expected plan for attracting investable companies including how the Fund will reach out to SEDI owned businesses.
- Provide a statement describing the expected benefits of the proposed fund to the state, its businesses, and its residents including the extent to which the resulting small business investments will expand economic opportunities and promote economic development in Rhode Island.
- Describe any private funds to be provided, including the preferred method of providing such funds (such as co-investment in the Fund, side by side funds, administration and so forth), the anticipated legal structure to be used for the matching funds, and the fund manager’s policies regarding making investments with other funds under its management or for the management of its affiliates.
- A description of the internal accounting and administrative controls systems of the Fund and the extent to which such systems can provide reasonable assurance that the SSBCI funds will be safeguarded against waste, loss, unauthorized use, and misappropriation. For example, provide evidence of one or more of the following:



- periodic internal audits
- annual independent audits (including management letters).
- program financial statements current within the past year.
- adequate accounting and financial management systems

Applicants' business plan should include evidence of its long-term commitment to serve as Fund manager.

Applicants shall also submit the table annexed to the Request for Proposals as **Appendix E**. Applicants shall include a detailed narrative of assumptions for their estimates contained in the foregoing table.

### 3. Recommendations and references:

Provide two references from people who have worked with the Applicant and know their financial and venture-oriented expertise. Provide two references from entrepreneurs with whom with the Applicant has worked. For each reference, provide a letter of recommendation, and include the name, address, phone number, and email address of the person providing the reference. All references must be available for phone interviews with RICC.

### 4. Disclosures:

- Describe any conflicts of interest that may be presented by serving as Fund manager, and how those conflicts would be managed.
- Provide a representation for each principal of Applicant's organization, covering:
  - o Ever convicted of a crime?
  - o Ever been subject to a legal or regulatory allegation of improper, fraudulent, disreputable or unfair business transactions or conduct?
- Describe any legal, contractual or other restrictions on Applicants' ability to act as Fund manager.
- Describe any specific requirements Applicant will request in its contract with RICC, if selected as Fund manager.

### 5. Certification:

Provide the Certification Forms attached.

APPENDIX F

Venture Capital Program Submission Requirements

CERTIFICATION FORM SSBCI

The undersigned hereby certifies on behalf of \_\_\_\_\_ (the “Applicant”) as follows:

I am an employee of the Applicant and have authority to execute this Certification on behalf of the Applicant.

I have read the Treasury issued guidance on the SSBCI program found at <https://home.treasury.gov/system/files/256/SSBCI-Capital-Program-Policy-Guidelines-November-2021.pdf> and the Applicant is committed to operating in accordance with all federal rules and guidelines in relation to its participation in any SSBCI program.

I have read the Treasury Assurance of Compliance with Civil Rights Requirements document found at [https://home.treasury.gov/system/files/136/Title\\_VI\\_Assurances.pdf](https://home.treasury.gov/system/files/136/Title_VI_Assurances.pdf) and the Applicant is willing to sign and comply with the terms set forth therein or substantially similar document containing the requirements issued by the U.S. Department of Treasury to the extent it is chosen to participate in any SSBCI program.

The undersigned, on behalf of the Applicant as a potential recipient of federal funding under the SSBCI program and as provided under 28 U.S.C. §1746, hereby certifies under the penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPENDIX G

CERTIFICATION FORM SSBCI

The undersigned hereby certifies on behalf of \_\_\_\_\_ (the “Applicant”) as follows:

I am an employee of the Applicant and have authority to execute this Certification on behalf of the Applicant.

I have read the Treasury issued guidance on the SSBCI program found at <https://home.treasury.gov/system/files/256/SSBCI-Capital-Program-Policy-Guidelines-November-2021.pdf> and the Applicant is committed to operating in accordance with all federal rules and guidelines in relation to its participation in any SSBCI program.

I have read the Treasury Assurance of Compliance with Civil Rights Requirements document found at [https://home.treasury.gov/system/files/136/Title\\_VI\\_Assurances.pdf](https://home.treasury.gov/system/files/136/Title_VI_Assurances.pdf) and the Applicant is willing to sign and comply with the terms set forth therein or substantially similar document containing the requirements issued by the U.S. Department of Treasury to the extent it is chosen to participate in any SSBCI program.

The undersigned, on behalf of the Applicant as a potential recipient of federal funding under the SSBCI program and as provided under 28 U.S.C. §1746, hereby certifies under the penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Name:

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## APPENDIX H

### **APPLICANT ISBE RESPONSIBILITIES AND MBE, WBE, AND/OR DISABILITY BUSINESS ENTERPRISE PARTICIPATION FORM**

#### **A. Applicant's ISBE Responsibilities (from 150-RICR-90-10-1.7.E)**

1. Proposal of ISBE Participation Rate. Unless otherwise indicated in the RFP, a Applicant must submit its proposed ISBE Participation Rate in a sealed envelope or via sealed electronic submission at the time it submits its proposed total contract price. The Applicant shall be responsible for completing and submitting all standard forms adopted pursuant to 105-RICR-90-10-1.9 and submitting all substantiating documentation as reasonably requested by either the Using Agency's MBE/WBE Coordinator, Division, ODEO, or Governor's Commission on Disabilities including but not limited to the names and contact information of all proposed subcontractors and the dollar amounts that correspond with each proposed subcontract.
2. Failure to Submit ISBE Participation Rate. Any Applicant that fails to submit a proposed ISBE Participation Rate or any requested substantiating documentation in a timely manner shall receive zero (0) ISBE participation points.
3. Execution of Proposed ISBE Participation Rate. Applicants shall be evaluated and scored based on the amounts and rates submitted in their proposals. If awarded the contract, Applicants shall be required to achieve their proposed ISBE Participation Rates. During the life of the contract, the Applicant shall be responsible for submitting all substantiating documentation as reasonably requested by the Using Agency's MBE/WBE Coordinator, Division, ODEO, or Governor's Commission on Disabilities including but not limited to copies of purchase orders, subcontracts, and cancelled checks.
4. Change Orders. If during the life of the contract, a change order is issued by the Division, the Applicant shall notify the ODEO of the change as soon as reasonably possible. Applicants are required to achieve their proposed ISBE Participation Rates on any change order amounts.
5. Notice of Change to Proposed ISBE Participation Rate. If during the life of the contract, the Applicant becomes aware that it will be unable to achieve its proposed ISBE Participation Rate, it must notify the Division and ODEO as soon as reasonably possible. The Division, in consultation with ODEO and Governor's Commission on Disabilities, and the Applicant may agree to a modified ISBE Participation Rate provided that the change in circumstances was beyond the control of the Applicant or the direct result of an unanticipated reduction in the overall total project cost.

#### **B. MBE, WBE, AND/OR Disability Business Enterprise Participation Plan Form:**

Attached is the MBE, WBE, and/or Disability Business Enterprise Participation Plan form. Bidders are required to complete, sign and submit with their overall proposal in a sealed envelope. Please complete separate forms for each MBE, WBE and/or Disability Business Enterprise subcontractor/supplier to be utilized on the solicitation.

**MBE, WBE, and/or DISABILITY BUSINESS ENTERPRISE PARTICIPATION PLAN**

Bidder's Name:

Bidder's Address:

Point of Contact:

Telephone:

Email:

Solicitation No.:

Project Name:

This form is intended to capture commitments between the prime contractor/vendor and MBE/WBE and/or Disability Business Enterprise subcontractors and suppliers, including a description of the work to be performed and the percentage of the work as submitted to the prime contractor/vendor. Please note that all MBE/WBE subcontractors/suppliers must be certified by the Office of Diversity, Equity and Opportunity MBE Compliance Office and all Disability Business Enterprises must be certified by the Governor's Commission on Disabilities at time of bid, and that MBE/WBE and Disability Business Enterprise subcontractors must self-perform 100% of the work or subcontract to another RI certified MBE in order to receive participation credit. Vendors may count 60% of expenditures for materials and supplies obtained from an MBE certified as a regular dealer/supplier, and 100% of such expenditures obtained from an MBE certified as a manufacturer. This form must be completed in its entirety and submitted at time of bid. **Please complete separate forms for each MBE/WBE or Disability Business Enterprise subcontractor/supplier to be utilized on the solicitation.**

Name of Subcontractor/Supplier:				
Type of RI Certification:		<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Disability Business Enterprise		
Address:				
Point of Contact:				
Telephone:				
Email:				
Detailed Description of Work To Be Performed by Subcontractor or Materials to be Supplied by Supplier:				
Total Contract Value (\$):		Subcontract Value (\$):		ISBE Participation Rate (%):
Anticipated Date of Performance:				

I certify under penalty of perjury that the forgoing statements are true and correct.

<b>Prime Contractor/Vendor Signature</b>		<b>Title</b>	<b>Date</b>
<b>Subcontractor/Supplier Signature</b>		<b>Title</b>	<b>Date</b>

## RFP/RFQ RESPONSE CERTIFICATION COVER FORM

**Instruction: To fulfill your RFP/RFQ response, this form must be completed, printed, signed and included with your submission.**

### SECTION 1 - RESPONDENT INFORMATION

**RFP/RFQ Number:**

**RFP/RFQ Title:**

**RFP/RFQ Respondent Name:**

**Address:**

**Telephone:**

**Fax:**

**Contact Name: Contact Title:**

**Contact Email:**

### SECTION 2 —DISCLOSURES

**RFP/RFQ Respondents must respond to every statement. RFP/RFQ Responses submitted without a complete response may be deemed nonresponsive.**

*Indicate "Y" (Yes) or "N" (No) for Disclosures 1-4, and if "Yes," provide details below*

\_\_\_\_ 1. State whether the Respondent, or any officer, director, manager, stockholder, member, partner, or other owner or principal of the Respondent or any parent, subsidiary, or affiliate has been subject to suspension or debarment by any federal, state, or municipal governmental authority, or the subject of criminal prosecution, or convicted of a criminal offense within the previous 5 years. If "Yes," provide details below.

\_\_\_\_ 2. State whether the Respondent, or any officer, director, manager, stockholder, member, partner, or other owner or principal of the Respondent or any parent, subsidiary, or affiliate has had any contracts with a federal, state, or municipal governmental authority terminated for any reason within the previous 5 years. If "Yes," provide details below.

\_\_\_\_ 3. State whether the Respondent, or any officer, director, manager, stockholder, member, partner, or other owner or principal of the Respondent or any parent, subsidiary, or affiliate has been fined more than \$5000 for violation(s) of any Rhode Island environmental law(s) by the Rhode Island Department of Environmental Management within the previous 5 years. If "Yes," provide details below.

\_\_\_\_ 4. State whether any officer, director, manager, stockholder, member, partner, or other owner or principal of the Respondent is serving or has served within the past two calendar years as either an appointed or elected official of any state governmental authority or quasi-public corporation, including without limitation, any entity created as a legislative body or public or state agency by the general assembly or constitution of this state.

*Disclosure details (continue on additional sheets if necessary):*

## SECTION 3 —OWNERSHIP DISCLOSURE

**Respondents must provide all relevant information. Respondent proposals submitted without a complete response may be deemed nonresponsive.**

If the Respondent is publicly held, the Respondent may provide owner information about only those stockholders, members, partners, or other owners that hold at least 10% of the record or beneficial equity interests of the Respondent; otherwise, complete ownership disclosure is required.

List each officer, director, manager, stockholder, member, partner, or other owner or principle of the Respondent, and each intermediate parent company and the ultimate parent company of the Respondent. For each individual, provide his or her name, business address, principal occupation, position with the Respondent, and the percentage of ownership, if any, he or she holds in the Respondent, and each intermediate parent company and the ultimate parent company of the Respondent.

## SECTION 4 —CERTIFICATIONS

**Respondents must respond to every statement. Responses submitted without a complete response may be deemed nonresponsive.**

*Indicate "Y" (Yes) or "N" (No), and if "No," provide details below.*

### THE RESPONDENT CERTIFIES THAT:

\_\_\_ 1. The Respondent will immediately disclose, in writing, to the Rhode Island Commerce Corporation any potential conflict of interest which may occur during the term of any contract awarded pursuant to this solicitation.

\_\_\_ 2. The Respondent possesses all licenses and anyone who will perform any work will possess all licenses required by applicable federal, state, and local law necessary to perform the requirements of any contract awarded pursuant to this solicitation and will maintain all required licenses during the term of any contract awarded pursuant to this solicitation. In the event that any required license shall lapse or be restricted or suspended, the Respondent shall immediately notify the Rhode Island Commerce Corporation in writing.

\_\_\_ 3. The Respondent will maintain all required insurance during the term of any contract pursuant to this solicitation. In the event that any required insurance shall lapse or be canceled, the Respondent will immediately notify the Rhode Island Commerce Corporation in writing.

\_\_\_ 4. The Respondent understands that falsification of any information in its RFP/RFQ response or failure to notify the Rhode Island Commerce Corporation of any changes in any disclosures or certifications in this Respondent Certification may be grounds for suspension, debarment, and/or prosecution for fraud.

\_\_\_ 5. The Respondent has not paid and will not pay any bonus, commission, fee, gratuity, or other remuneration to any employee or official of the Rhode Island Commerce Corporation or the State of Rhode Island or any subdivision of the State of Rhode Island or other governmental authority for the purpose of obtaining an award of a contract pursuant to this solicitation. The Respondent further certifies that no bonus, commission, fee, gratuity, or other remuneration has been or will be received from any third party or paid to any third party contingent on the award of a contract pursuant to this solicitation.

\_\_\_ 6. This RFP/RFQ response is not a collusive RFP/RFQ response. Neither the Respondent, nor any of its owners, stockholders, members, partners, principals, directors, managers, officers, employees, or agents has in any way colluded, conspired, or agreed, directly or indirectly, with any other Respondent or person to submit a collusive response to the solicitation or to refrain from submitting response to the solicitation, or has in any manner, directly or indirectly, sought by agreement or collusion or other communication with any other Respondent or person to fix the price or prices in the response or the response of any other Respondent, or to fix any overhead, profit, or cost component of the price in the response or the response of any other Respondent, or to secure through any collusion, conspiracy, or unlawful agreement any advantage against the Rhode Island Commerce Corporation or the State of Rhode Island or any person with an interest in the contract awarded pursuant to this solicitation. The price in the response is fair and proper and is not tainted by any collusion, conspiracy, or unlawful agreement on the part of the Respondent, its owners, stockholders, members, partners, principals, directors, managers, officers, employees, or agents.

\_\_\_ 7. The Respondent: (i) is not identified on the General Treasurer's list created pursuant to R.I. Gen. Laws § 37-2.5-3 as a person or entity engaging in investment activities in Iran described in § 37-2.5-2(b); and (ii) is not engaging in any such investment activities in Iran.

\_\_\_ 8. The Respondent will comply with all of the laws that are incorporated into and/or applicable to any contract with the Rhode Island Commerce Corporation.

*Certification details (continue on additional sheet if necessary):*

**Submission by the Respondent of a response pursuant to this solicitation constitutes an offer to contract with the Rhode Island Commerce Corporation on the terms and conditions contained in this solicitation and the response. The Respondent certifies that: (1) the Respondent has reviewed this solicitation and agrees to comply with its terms and conditions; (2) the response is based on this solicitation; and (3) the information submitted in the response (including this Respondent Certification Cover Form) is accurate and complete. The Respondent acknowledges that the terms and conditions of this solicitation and the response will be incorporated into any contract awarded to the Respondent pursuant to this solicitation and the response. The person signing below represents, under penalty of perjury, that he or she is fully informed regarding the preparation and contents of this response and has been duly authorized to execute and submit this response on behalf of the Respondent.**

**RESPONDENT**

**Date:** \_\_\_\_\_

\_\_\_\_\_  
Name of Respondent

\_\_\_\_\_  
Signature in ink

\_\_\_\_\_  
Printed name and title of person signing on behalf of Respondent