



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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www.burlingtonvt.gov/cedo

City of Burlington Community & Economic Development Office (CEDO)

REQUEST FOR PROPOSALS BUSINESS LOAN UNDERWRITING SERVICES

- Date of Issuance:** Friday, April 21, 2017
- Deadline for Questions:** Friday, May 5, 2017 by 12:00pm EST. All respondents are required to submit any questions related to this RFP via email. CEDO will distribute a list of questions and answers via email to all respondents. Direct all questions regarding this RFP to dcolangelo@burlingtonvt.gov.
- Deadline for Responses:** **Friday, May 19, 2017 by 5:00pm EST**
- Contact:** Diana Colangelo, Projects and Policy Specialist
Community & Economic Development Office
149 Church St, Suite 32
Burlington, VT 05401
(802) 865-7187
dcolangelo@burlingtonvt.gov

BACKGROUND

The Burlington Revolving Loan Fund (BRLF) was established using CDBG funds to provide financial assistance to eligible businesses located in the City of Burlington by providing direct loans. The minimum loan amount will be \$3,000, and loans will not exceed \$15,000. An application fee will be charged. BRLF will give special consideration to Burlington businesses with the capacity to create jobs and/or that are owned by women, minorities, and low to moderate income individuals. Proceeds from the BRLF loan may be used only for working capital, inventory (materials and supplies), equipment and furniture and fixtures. A loan from BRLF may not be used to finance real estate or to refinance existing debt. Loans are structured as term loans fully amortizing over a maximum of 7 years at an interest rate set by the City of Burlington. Loans generally will be secured by collateral and/or personal guarantees. Revolving lines of credit are not offered.

INTRODUCTION

The City of Burlington's Community & Economic Development Office (CEDO) is seeking proposals to provide loan underwriting services for loans that CEDO will make available to businesses through its

BRLF, as well as technical assistance for prospective applicants to ensure a higher percentage of successful applicants.

CEDO aims to provide loans to between 5 and 25 businesses over the course of an 18-month period. Through a competitive application process, creditworthy businesses will be awarded loans of between \$3,000 and \$15,000 from CEDO's BRLF. Assistance is being sought to provide underwriting, business plan analysis, credit analysis, and loan packaging services for these loans. Among creditworthy businesses, priority will be given to businesses that meet one or more of the following criteria: will commit to creating jobs as a result of this assistance; are located in a Neighborhood Revitalization Strategy Area in Burlington (more info on the NRSA [here](#)); are a Minority or Women-Owned Business Enterprise; and are aligned with Burlington's economic development priorities.

Applications must meet the following criteria:

1. It is preferred that applicants are familiar with HUD CDBG regulations related to economic development assistance.
2. Applicants must be located in Burlington or be able to travel to Burlington to meet with CEDO staff and/or Burlington businesses as needed.
3. Applicants must have a demonstrated depth of experience in credit analysis and underwriting of business loans.

SCOPE OF WORK

1. Review between 5 and 25 applications and accompanying documents, financial information, and other materials for CEDO's BRLF over the course of an 18-month period at maximum. CEDO will solicit for and review preliminary applications and depending on the quality of these applications, invite businesses to submit a full application, at which point the selected organization will provide technical assistance to prospective applicants to ensure that submissions are complete and include appropriate documentation. The expected length of this contract is 18 months, with an expectation that the contract will be extended as loan monies are repaid and CEDO has the capacity to make additional loans.
2. Meet with applicants and/or visit the businesses of applicants as necessary to complete due diligence and analysis of applications.
3. Provide a report to CEDO recommending credit approval or denial based on credit analysis, business plan analysis, and general analysis of quality of applications in order to assist CEDO in making loan decisions. The selected organization would also be expected to pull applicants' credit reports to assist in analysis of applications and search UCC filings. Prepare a commitment letter or letter of decline for CEDO to present to applicant.
4. Provide loan underwriting and loan packaging services for each loan made as part of the project.
5. Prepare loan closing documents on behalf of the City, including documents such as promissory notes, security agreements, personal guarantees, and UCC filings. The selected organization will determine which instruments are appropriate to secure the loan on a case-by-case basis. The City will close loans and provide appropriate legal services. The City will also handle defaults.

6. Be responsive to CEDO staff and maintain open lines of communication throughout the project. This includes staff in the Sustainability, Housing, and Economic Development division as well as Finance staff, in order to coordinate on loan closing and financial management tasks.

TIMELINE AND DELIVERY

If you would like to submit a proposal, you must respond to all of the questions listed below in the section titled "Submission Requirements" and submit your proposal in hard copy in a sealed envelope as well as in electronic format (PDF preferred) by **Friday, May 19, 2017 at 5:00pm EST** to the following address:

Community & Economic Development Office
Attention: Diana Colangelo
149 Church Street, Suite 32
Burlington, VT 05401

Email address: dcolangelo@burlingtonvt.gov

Proposals must be typed. The Request for Proposals is also available on CEDO's website at www.burlingtonvt.gov/cedo, or by contacting Diana Colangelo, dcolangelo@burlingtonvt.gov.

SUBMISSION REQUIREMENTS

Bidders must comply with all provisions of state law, including being a business in good standing with the Vermont Secretary of State and Department of Taxes, and the accepted bidder will have to comply with the city's livable wage, outsourcing, and union deterrence ordinances, copies of which are available on the city's website (or may be supplied on request).

It is important that all respondents are given clear and consistent information. Therefore, **all respondents are required to submit any questions related to this RFP via email**. The City of Burlington/CEDO will distribute a list of questions and answers via email to all respondents. Direct all questions regarding this RFP to dcolangelo@burlingtonvt.gov. **Questions will be accepted up until noon on May 5, 2017**, to ensure all parties have adequate time to review the answers.

The City of Burlington does not tolerate unlawful harassment or discrimination on the basis of political or religious affiliation, race, color, national origin, place of birth, ancestry, age, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status or genetic information.

The City is also committed to providing proper access to services, facilities, and employment opportunities.

Responses should include the following:

1. Every proposal must have a D-U-N-S number. If you do not have a D-U-N-S number, you may request one here: <http://fedgov.dnb.com/webform/index.jsp>

About the D-U-N-S Number

Created in 1962, the Data Universal Numbering System or D-U-N-S® Number is D&B's copyrighted, proprietary means of identifying business entities on a location-specific basis.

Assigned and maintained solely by D&B, this unique nine-digit identification number has been assigned to over 100 million businesses worldwide.

A D-U-N-S® Number remains with the company location to which it has been assigned even if it closes or goes out-of-business.

The D-U-N-S® Number also "unlocks" a wealth of value-added data associated with that entity, including the business name, physical and mailing addresses, tradestyles ("doing business as"), principal names, financial, payment experiences, industry classifications (SICs and NAICS), socio-economic status, government data and more. The D-U-N-S® Number also links members of corporate family trees worldwide.

The D-U-N-S® Number is widely used by both commercial and federal entities and was adopted as the standard business identifier for federal electronic commerce in October 1994.

The D-U-N-S Number® was also incorporated into the Federal Acquisition Regulation (FAR) in April 1998 as the Federal Government's contractor identification code for all procurement-related activities.

2. Description of organization including length of time in existence, contact person, address, telephone number, and email address.
3. Resumes of staff who will provide underwriting services for CDBG Burlington Revolving Loan Fund, loan application review, and credit analysis. Include qualifications of staff who will be implementing the project or be responsible for financial management of the project, as well as any sub-consultants. Include the percentage of time each staff member will be spending on the project and indicate the primary point of contact.
4. Description of organization's experience with loan processing, loan underwriting, credit analysis, and loan packaging. Identify any skills, current services offered, and accomplishments that demonstrate your capacity for success. Include any experience in CDBG business loan underwriting and level of familiarity with CDBG guidelines.
5. List of three (3) references who have knowledge of organization's recent work in the areas listed above.
6. Proposed schedule of work and milestones for completion.
7. Description of any exceptions you are proposing to the Scope of Work.
8. A list of any lawsuits filed against the organization in the previous three (3) years, and describe any pending litigation related to the types of services mentioned in this RFP.
9. A proposed per-application cost for business plan analysis, credit analysis, loan underwriting and loan package preparation for CDBG Burlington Revolving Loan Fund. Cost should be based on an hourly budget. Include a schedule of hourly rates for each employee of the organization that will be involved with implementation of this project.
10. As CEDO aims to provide loans to between 5 and 25 businesses, indicate organization's capacity to handle this range of loan volume. Provide budget estimates for this range.
11. Proposals must be signed by an authorized employee to receive consideration.

PROPOSAL EVALUATION

CEDO will review proposals for compliance with submission criteria, inclusion of required content, eligibility under CDBG regulations, feasibility of implementation, capacity, and experience and qualifications of underwriting staff. CEDO reserves the right to contact applicants with further questions or to clarify their proposal. CEDO intends to select one organization to provide underwriting services as part of this project. CEDO will make its selection based on the following criteria:

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|---|-------------------|
| 1. How organization addresses the Scope of Work | 30 points maximum |
| 2. Experience in loan underwriting and loan packaging | 25 points maximum |
| 3. Experience in CDBG business loan underwriting and understanding of CDBG guidelines and monitoring compliance | 15 points maximum |
| 4. Accessibility to program applicants and City staff | 15 points maximum |
| 5. Budget and overall value – the most experienced people doing the most work at the most competitive price | 10 points maximum |
| 6. Capacity to process a range in volume of applications (between 5 and 25) | 5 points maximum |

TERMS AND CONDITIONS

Indemnification

The Vendor will act in an independent capacity and not as officers or employees of the Municipality. The Vendor shall indemnify, defend and hold harmless the Municipality and its officers and employees from liability and any claims, suits, expenses, losses, judgments, and damages arising as a result of the Vendor’s acts and/or omissions in the performance of this contract.

The Municipality is responsible for its own actions. The Vendor is not obligated to indemnify the Municipality or its officers, agents and employees for any liability of the Municipality, its officers, agents and employees attributable to its, or their own, negligent acts, errors or omissions.

Limitations of Liability

The City of Burlington assumes no responsibility and liability for costs incurred by parties responding to this invitation to bid or responding to any further requests for interviews, additional data, etc., prior to the issuance of the contract.

Rejection of Proposals

The City of Burlington reserves the right to reject any or all responses, to negotiate with one or more parties, or to award the contract in the City’s best interests. The City reserves the right to re-advertise for additional responses and to extend the deadline for submission of responses.

Ownership of Documents

Proposals, plans, specifications, electronic data and reports prepared under any agreement with the selected contractor and the City shall become the property of the City. Records shall be furnished to the City by the contractor upon request at any time, however contractor may retain copies of the original documents.

No Benefit to City Official

Bidders warrant that no elected or appointed official or employee of the City will benefit financially from this contract. The City reserves the right to refuse to award any contract to or rescind any contract entered into with any bidder who offers any gratuity of any kind to a public official to induce the City to enter into this agreement.

Vermont Public Records

All communications with or documents provided to the City are subject to the Vermont Access to Public Records Act (VAPRA). If a bidder believes that any material submitted is proprietary or a trade secret, it must specifically identify that material by marking it "Confidential" or "Proprietary" and separating it from other sections or pages of the submission. The bidder must provide the City with a convincing rationale to justify any exemption from the VAPRA, but the bidder understands and agrees that the decision whether to release or exempt any materials rests solely with the City.

Addenda

If it becomes necessary to revise any part of this RFP, an addendum will be provided to all proposing organizations in written or electronic form.

Deadline for receipt of responses to this RFP is Friday, May 19, 2017 by 5:00pm EST. Proposals should be sent to the Community & Economic Development Office in both hard copy and electronic format at the following:

Community & Economic Development Office

**Attention: Diana Colangelo
149 Church Street, Suite 32
Burlington, VT 05401**

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