



GoWest Foundation Request for Proposals for Consultant Services

Project Title

Credit Building Pilot Program (CBPP)

Description

GoWest is seeking at least one consultant who will work at the direction of GoWest to provide training, support, and technical assistance to Small Business Resiliency Network partners and credit unions participating in the Credit Building Pilot Program. The Credit Building Pilot Program is intended to help Washington small businesses and entrepreneurs furthest from opportunity access capital and build their credit.

Eligibility

This procurement is open to consultants who satisfy the minimum qualifications stated herein.

Response Due Date

Priority consideration will be given to Letters of Interest (LOI) received before 11:59 PM PT on **April 29, 2024**. Responses should be no more than five (5) pages long. Send responses to GoWest Foundation at cbpp@gowest.org.

Expected Contract Period

The contract period is expected to be May 1, 2024, through at least March 31, 2025. The contract may be extended on a month-to-month basis as required to support the ongoing needs of the program.

Contents

1. Request for Proposals for Consultant Services
2. CBPP Small Business Resiliency Loan Product Overview
3. CBPP Small Business Resiliency Loan Product Details

NOTE: If you download this Request for Technical Assistance Contractor(s) from the GoWest Foundation website, you are responsible for sending your name, organization, and email address to cbpp@gowest.org in order to receive any Request for TAC amendments or updates.

The GoWest Foundation is initiating a Request for Proposals for Consultant Services to solicit Letters of Interest (LOI) from eligible and qualified consultants interested in providing training, technical assistance, and ongoing support for the Credit Building Pilot Program (CBPP). GoWest Foundation has been contracted by the Washington Department of Commerce utilizing federal State & Local Fiscal Recovery Funds (SLFRF) pandemic relief dollars. GoWest is seeking at least one (1) and no more than three (3) consultants to work at the direction of GoWest Foundation in supporting the needs of Small Business Resiliency Network partners and credit unions as we work to deploy the Small Business Resiliency Loan to Washington small businesses and entrepreneurs furthest from opportunity.

This is an exciting opportunity for consultants with a strong knowledge of the Small Business Resiliency Network, credit unions, and the Small Business Resiliency Loan to help small businesses and entrepreneurs furthest from opportunity build credit and thrive. These businesses, which include start-ups and entrepreneurs with no- or limited-credit histories or banking experience, generally would not qualify for traditional business loans.

Please review all documents provided with this RFP before submitting your LOI. **Priority consideration will be given to LOIs received before 11:59 PM PT on April 29, 2024.**

Program Overview

GoWest Foundation was selected by the Washington Department of Commerce to design, implement, and administer a pilot program that addresses barriers to conventional lending. This work is done in coordination with the Small Business Resiliency Network (SBRN), which exists to assist small businesses and entrepreneurs. Through credit unions doing business in Washington state, approximately \$8 million is available to be deployed to small businesses and entrepreneurs impacted by COVID by the end of 2024.

As a novel pilot program, the Credit Building Pilot Program will provide access to the Small Business Resiliency Loan product through approximately 30 organizations that make up the Small Business Resiliency Network. SBRN partners will lead outreach to the communities they serve and help potential borrowers determine fit, eligibility, and ability to repay a loan. SBRN partners will support borrowers in gathering the necessary documents and components (such as UBI and UEI) for an application. They will also support borrowers throughout the loan application process, including partnering with credit unions and GoWest through loan funding and repayment and final engagement around program completion and reporting. GoWest is seeking consultants to provide training, technical assistance, and support throughout every remaining stage and element of the Small Business Resiliency Loan process. At the time of publishing this Request for Proposals, GoWest Foundation is nearing completion of the design phase and is set to launch the loan product in early May 2024.

Scope of Work

GoWest intends to contract with consultants who possess strong working knowledge of the Small Business Resiliency Network and the Credit Building Pilot Program. The consultants will support GoWest as the contractor engaging with the Small Business Resiliency Network in deploying approximately \$8M in SLFRF funds to small business beneficiaries.

Consultants will assist GoWest as the CBPP contractor responsible for working directly with SBRN partners to support their success through training, launch, and multiple allocation windows throughout implementation. Consultants may be asked to:

- Create internal process documents, guiding documents, FAQ responses, PowerPoint presentations, videos, and other materials for GoWest.
- Support GoWest in executing virtual and in-person trainings.
- Provide direct one-on-one support to SBRN partners as they learn about the product and process.
- Provide direct one-on-one support to SBRN partners as they navigate through the application process, which could include addressing technical issues with the application portal or addressing questions about components of the application. Consultants will be available and responsive via phone, email, video call, or an online form.
- Provide assistance throughout the coordination of SBRN partners and credit unions in supporting borrowers.
- Support GoWest in gathering data and reporting on success metrics to Credit Building Pilot Program stakeholders.
- Support GoWest in exploring and implementing program adjustments through all allocation and iteration windows.
- Support GoWest in navigating potential post-pilot and sustainability-focused planning.
- Participate in weekly and ad-hoc meetings with GoWest.

GoWest anticipates that consultants will provide an average of 5-10 hours per week between May 1, 2024, and March 31, 2025 (with the majority of those hours occurring during the readiness, launch, and first/second allocation windows).

Required and Desired Attributes

Successful proposals will demonstrate the following required attributes:

- Strong understanding of the Small Business Resiliency Loan product.
- Strong understanding of the Small Business Resiliency Loan application process.
- Familiarity and experience working with the Small Business Resiliency Network partner organizations.
- A commitment to delivering training, technical assistance, and support to Small Business Resiliency Network partners, credit unions, and applicants in a fair, just, and equitable manner that aligns with the goals of the Credit Building Pilot Program.

- Availability to meet (virtually) with Small Business Resiliency Network partners during times when partners are available.
- Prior experience supporting the design, launch, and/or implementation of a loan program created to meet the needs of communities furthest from opportunity.

Desired attributes include:

- The ability to offer support in languages other than English or in varying formats.
- Prior experience working with culturally specific organizations.
- The ability to work quickly and efficiently under tight timelines.

Request for Proposals

Please join the GoWest Foundation in supporting the delivery and success of this valuable program for small businesses and entrepreneurs. If you are interested in this opportunity, you must submit a Letter of Interest (LOI) to GoWest at cbpp@gowest.org by the date listed below.

Letters of Interest must be no more than five (5) pages and must address the following:

- Your prior experience providing training, technical assistance, and/or support to others in a manner similar to the needs identified in this Request for Proposals.
- Your plan and capacity to complete the activities described in this document's Scope of Work section.
- How you meet the required attributes listed in the Required and Desired Attributes section of this document.
- Which attributes from the Desired Attributes section you possess.
- Your rates and estimated budget based upon the Scope of Work and anticipated hours.
- Certification that you/your business are not identified in the federal System for Award Management as an entity excluded from receiving federal contracts, subcontracts, or federal financial and non-financial assistance and benefits and that is not otherwise debarred, suspended, or been declared ineligible to receive federal contracts.

Priority consideration will be given to LOIs received before 11:59 PM PT on **April 29, 2024**.

If, after reviewing all materials, you have questions or need additional information, please **contact us by emailing** cbpp@gowest.org.

Evaluation

GoWest Foundation will evaluate proposals and select a valid proposal using the following criteria:

- Demonstrated successful performance of substantially similar work;
- Experience and qualifications of consultants;
- Rate reasonableness and overall cost of services; and
- Ability to comply with the administrative and financial management requirements of GoWest Foundation, Washington Department of Commerce, and the federal State and Local Fiscal Recovery Funds (SLFRF).

Background

In 2020, the Small Business Resiliency Network (SBRN) was established to help ensure small businesses and entrepreneurs furthest from opportunity are able to access assistance with COVID relief funding, grants, loans, and other resources. Growing from eleven partners in April of 2020 to thirty as of July of 2023, SBRN's trusted community organizations provide culturally and linguistically appropriate outreach, translation, assistance, and education to ensure business owners can receive ongoing support, training, referrals, and services they need from people and organizations they trust.

In June of 2023, the Washington Department of Commerce contracted with the GoWest Foundation to design and implement the Credit Building Pilot Program to address underlying barriers to conventional lending identified by SBRN partner organizations. Some of the identified barriers include complex application processes, limited credit history, limited financial history/documentation, lack of trust in existing systems, language barriers, and more. The Credit Building Pilot Program is being implemented in partnership with the SBRN and not-for-profit, member-owned credit unions to specifically assist the small businesses described above.

Product Overview

In collaboration with SBRN partners and other stakeholders, we have designed the Small Business Resiliency Loan, which is meant to address both the access to capital and credit-building needs of communities served by the SBRN.

Entrepreneurs and small businesses furthest from opportunity in Washington State will be able to access a term loan between \$500 and \$25,000 to be used for any legal business expense. The interest rate for these loans will be set at 4%. Loans will be repaid over a term period of at least 12 months and ending before December 31, 2026. Once a loan has been fully repaid after a minimum of 12 monthly payments, the entrepreneur/small business will be able to access grant funds equal to the amount of the original loan and interest.

\$500 - \$25,000
loans

4% interest rate

12 – 30 month
terms

Minimum of 12
monthly
payments

Receive grant
equal to loan +
interest when
loan is paid off

Additionally, the process for accessing a loan through this program will be significantly less complex than a traditional small business loan application. Entrepreneurs/small business owners will work with an SBRN partner to complete an application with multiple parts: 1) a

simplified application that gathers basic information about the business and business owner(s), 2) a short business plan/budget worksheet, 3) a voluntary demographic and preference survey, and 4) identification documentation, including a federal UEI.

Eligibility

The funds being used for the Small Business Resiliency Loan program are federal State and Local Federal Relief Fund dollars, which requires that program beneficiaries be entrepreneurs/small businesses that were negatively impacted by the pandemic. As such, to determine eligibility, we will need to ensure the address of a beneficiary is located in a federally determined low-income area. If a beneficiary's address is not in one of these areas, they will need to provide a statement attesting that they were negatively impacted by the pandemic. Entrepreneurs/small businesses must have fewer than the equivalent of 20 full-time employees. Entrepreneurs/small businesses must have a Social Security Number, Individual Taxpayer Identification Number, or Entity Identification Number to apply. All participants must have or be in the possession of obtaining a federal Unique Entity Identifier (UEI).

Additionally, all program participants will be required to work through an SBRN partner to complete the loan and membership application process. The SBRN partner will work with the entrepreneur/small business to complete the application process.

Address located in specific map zones

If not in a zone, attestation of impact

Fewer than equivalent of 20 full time employees

Must possess a SSN, ITIN, or EIN; must possess/be in process on UEI

Features & Benefits

The Small Business Resiliency Loan offered through the Credit Building Pilot Program leverages federal funds by placing them into savings accounts specifically tied to a borrower via the credit union partners. When an entrepreneur/small business owner receives a loan through this program, we will put money in an amount equal to the loan and anticipated interest in a savings account. The funds will stay in that account and serve as 100% collateral for that loan until it is paid in full. By keeping funds equal to the loan amount and anticipated interest in a connected savings account, we are able to create a loan with a low and below-market interest rate. It also makes it possible for us to significantly reduce the amount of paperwork required to approve the loan.

Process

The Small Business Resiliency Loan will be marketed by SBRN partners to the communities they serve. GoWest will provide SBRN partners with some necessary tools and resources they will need to do this marketing and outreach.

When an entrepreneur/small business owner responds to an SBRN partner's marketing and outreach, the SBRN partner will start to work with that entrepreneur/small business owner to review and complete the application for the loan program. The applicant will submit their application through an SBRN partner to the GoWest Foundation. GoWest will route the application to a credit union for processing. The credit union will contact the applicant and SBRN partner to complete any final details, signing and funding the loan and opening the savings account. The applicant will then have access to the loan and will begin making payments according to the repayment terms agreed to between the credit union and borrower. Once a loan is fully repaid (after a period of at least 12 months), the borrower will be able to access the funds in the share account.

PRODUCT DETAILS	
Loan Purpose	Loan must be used for a legal business expense
Loan Type	Share-secured loan
Determining Eligibility (for use by SBRN partners)	<p>Step 1</p> <p>Qualifying location (options named below) is within the borders of any of the geographical areas identified through Commerce mapping tool:</p> <ul style="list-style-type: none"> • Brick/mortar businesses • Residence of business owners that operate a virtual/online/mobile business • Residence of individuals seeking to start small or micro-business <p>OR attestation of COVID impact (using form provided by CoWest)</p>
	<p>Step 2</p> <p>Business size must be limited as follows:</p> <ul style="list-style-type: none"> • Individuals seeking to start a small or micro business, or • Small or micro businesses with the equivalent of 20 or fewer FTE employees (this could mean 100 part-time employees each working eight hours/week, or 60 employees that each work 1/3 of a year, as examples)
	<p>Step 3</p> <p>Business must possess or be in the process of obtaining a federal UEI (to demonstrate proof of business existence)</p>
	<p>Step 4</p> <p>Business owner(s) must possess identification such as SSN, ITIN, EIN</p>
	<p>Step 5</p> <p>Application and business worksheet must be completed and submitted by an SBRN partner</p>
Requirements	<p>To comply with Bank Secrecy Act and Know Your Customer requirements, all people in control of the business must provide:</p> <ul style="list-style-type: none"> • Name • SSN/ITIN/EIN • Address • Date of Birth • Explanation of business purpose and activities

Loan Size	At least \$500, and up to \$25,000
Share Account	When loan is originated, grant funds equal to the loan and anticipated interest will be deposited into the share account; account will be in the borrower's name, but access will be restricted until the loan is repaid
Interest Rates	Set at 4% Interest earned on grant funds in the share account will be made available to the borrower at the same time as the grant funds
Repayment Terms	Loan repayment term of at least 12 months; loan repayment period must end before December 31, 2026
Early Repayment	Borrowers can pay the loan off early without a penalty; however, borrowers must make at least 12 monthly payments before they can access share account funds; any outstanding loan balance, including any interest, must be repaid prior to accessing share account funds
Delinquency	At 29 days delinquent, credit unions will access funds from the share account to satisfy the payment due—preventing the loan from ever being reported as delinquent to credit bureaus; after three months of borrower non-payment and the credit union accessing funds from the share account to satisfy the payment due, the credit union will access funds from the share-secured account to pay off the loan and close the loan account
Credit Reporting	All payment activity will be reported by credit unions to at least one credit bureau
Borrower Fees	The borrower will pay no fees to establish or maintain the share account or loan
Credit Union Compensation	CBPP grant funds will be provided to credit unions to cover their underwriting costs; credit unions will receive \$250 for each loan they originate