

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7288

**AUTHORIZING AN AMENDMENT TO THE SUBRECIPIENT CONTRACT
WITH MICRO ENTERPRISE SERVICES OF OREGON TO IMPLEMENT A
PORTION OF THE INCLUSIVE BUSINESS RESOURCE NETWORK DURING
FISCAL YEAR 2018/19**

WHEREAS, for the past decade, Prosper Portland has developed and managed multiple programs to support minority and female entrepreneurs and business owners;

WHEREAS, in July 2017, Prosper Portland expanded its work with startups and minority-owned businesses to leverage the power of a partnership network committed to increasing the success of 1,000 underrepresented entrepreneurs;

WHEREAS, this initiative known as the Inclusive Business Resource Network (“IBRN”) (formerly known as the Small Business Technical Assistance Partnership) seeks greater impact for those programs through better coordination and communication and to improve the resource landscape for underrepresented business owners;

WHEREAS, the goals of IBRN are to improve outcomes for, and improve service delivery to, underrepresented business owners and entrepreneurs, while supporting an inclusive learning community among IBRN participants;

WHEREAS, in February 2017, staff issued a competitive Request for Proposals process and selected eleven service providers, including Micro Enterprise Services of Oregon (“MESO”);

WHEREAS, MESO’s mission is to improve the economic opportunities of underserved individuals through empowerment, education and entrepreneurship for the benefit of the greater community; and,

WHEREAS, MESO will provide services under two IBRN programs including microenterprise development and business navigation for N/NE Portland.

NOW, THEREFORE, BE IT RESOLVED, that the Prosper Portland Board of Commissioners (“Board”) hereby authorizes the Executive Director to amend the Subrecipient Agreement with MESO substantially in the form attached hereto as Exhibit A (the “Subrecipient Agreement”), for a two-year cumulative total of \$1,052,817 for the purpose of implementing and managing components of the IBRN;

BE IT FURTHER RESOLVED, that the Prosper Portland Board hereby authorizes the Executive Director to execute amendments to the Subrecipient Agreement to provide up to an additional

\$500,000 in funding under the Subrecipient Agreement as needed and when such additional funding becomes available;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the Subrecipient Agreement prior to and subsequent to execution, so long as such changes do not materially increase Prosper Portland’s risks or obligations, as determined by the Executive Director in consultation with General Counsel; and,

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted by the Prosper Portland Commission on September 12, 2018



Pam Feigenbutz, Recording Secretary

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7288

EXHIBIT A

**AUTHORIZING AN AMENDMENT TO THE SUBRECIPIENT CONTRACT
WITH MICRO ENTERPRISE SERVICES OF OREGON TO IMPLEMENT A
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FISCAL YEAR 2018/2019**

Exhibit A includes this cover page and contains 14 pages:

- Draft Amendment to Subrecipient Agreement – Micro Enterprise Services of Oregon

**FIRST AMENDMENT TO
SUBRECIPIENT AGREEMENT
Inclusive Business Resource Network**

This First Amendment to Subrecipient Agreement (“First Amendment”) is between Prosper Portland, assumed business name of Portland Development Commission, the urban renewal authority of the City of Portland, a municipal corporation of the State of Oregon (“Prosper Portland”) and Micro Enterprise Services of Oregon (“Subrecipient”).

This First Amendment modifies the Subrecipient Agreement as follows:

1. All terms and conditions of the Subrecipient Agreement not expressly modified by this First Amendment shall remain unchanged. Capitalized terms not defined herein shall have the meaning set forth in the Subrecipient Agreement.
2. Section 1 of the Subrecipient Agreement is amended to extend the termination date to June 30, 2019.
3. Section 2 of the Subrecipient Agreement, Maximum Financial Assistance is amended to \$1,052,817.
4. Section 4 of the Subrecipient Agreement is amended to extend the final invoice date to a date to be provided by Prosper Portland by April 30, 2019.
5. The following sentence is added as the final sentence in Section 6 of the Subrecipient Agreement: “No CDBG funds may be used to purchase food or beverages.”
6. Exhibit A “Scope of Work” to the Subrecipient Agreement is replaced in its entirety with Exhibit A, attached to this First Amendment.
7. Exhibit B “Budget” to the Subrecipient Agreement is updated and replaced in its entirety with Exhibit B, attached to this First Amendment.
8. By this First Amendment, Prosper Portland waives no default(s) if any, known or unknown, of Subrecipient under the Subrecipient Agreement or under this First Amendment.
9. Exhibit C “Terms and Conditions Section” 1.H. is updated to extend records retention from five (5) years to ten (10) years.

MICRO ENTERPRISE SERVICES OF OREGON

By: _____
Nita Shah, Executive Director

_____ Date

PROSPER PORTLAND

By: _____
Kimberly Branam, Executive Director

_____ Date

APPROVED AS TO FORM:

Prosper Portland Legal Counsel

**EXHIBIT A
SCOPES OF WORK
Inclusive Business Resource Network**

SCOPE A – Micro and Small Business Development

1. OVERVIEW

Framework:

Prosper Portland’s 2015-2020 Strategic Plan calls for fostering wealth creation within communities of color and low-income neighborhoods through business development and growth. To further this goal, Prosper Portland funds and facilitates the Inclusive Business Resource Network (IBRN), a citywide program that leverages the power of a partnership network committed to increasing the success of 1,000 underrepresented entrepreneurs.

General Program Description:

Provide business technical assistance (TA) to low- and moderate-income microenterprises and small businesses in the City of Portland through one-on-one and small group advising, classroom training, and workshops. Within priority areas, additional support will be provided to businesses and residents through coordinated efforts between Subrecipient, priority area managers and Prosper Portland. See Section G below. Refer to the Program Manual provided by Prosper Portland for more details.

Duration of Program: July 1, 2018 - June 30, 2019

2. PROGRAM SERVICES AND ACTIVITIES

A. Enrolled Client versus Service Recipient

The *Microenterprise and Small Business Development Program* aims to serve two types of individuals: **Enrolled Clients** and **Service Recipients**. The chart below outlines the difference between Enrolled Clients and Service Recipients.

ENROLLED CLIENT	SERVICE RECIPIENT
Eligibility guidelines apply (see Section 2.D below)	Not required to meet eligibility guidelines
Preference should be given to priority populations (see Section 2.C below)	Preference should be given to priority populations (see Section 2.C below)
Service is anticipated to be long-term , moderate to intensive TA, working on complex and ongoing issues	Service is anticipated to be short-term , light-touch TA, working on solutions to one-time issues and other less-intense services
Service delivered through one-on-one TA, small group or classroom sessions, workshops	Service delivered through one-on-one TA during drop-in office hours (see Section 2.G below), workshops in priority areas
Minimum 5 hours of service anticipated	Maximum of 10 hours of service (exceptions can be made with Prosper Portland Program Manager approval)

Detailed intake required	Minimal intake required
Extensive reporting required	Less extensive reporting required
May be eligible for CDBG funding	Not eligible for CDBG funding
CLIENT CASELOAD	PRIORITY AREA BUSINESS SUPPORT
Business Advisors: 4.0 FTE	Business Advisors: 1.0 FTE
Anticipated Rolling Enrollment: 85	Anticipated Service Recipients: 50
<i>Note: up to 20% of each FTE can be utilized to support drop-in clients at the MLK office, as is it assumed that a portion of these clients will become long-term clients</i>	Location(s): St Johns (50% FTE), Cully Blvd (~30% FTE), Parkrose(~20% FTE)

B. Business Technical Assistance Services

Subrecipient will provide a variety of individualized business development services including but not limited to:

- Business review and assessment
- Bookkeeping and business management strategies
- Comprehensive business planning and strategizing
- Financial planning , budgeting, goal setting and projections
- Market research and analysis
- Growth strategies development
- Product cost analysis
- General business support
- Connection to professional networks and business mentors
- Topic specific coaching and mentoring

Prosper Portland may request a written service delivery plan, if needed, to confirm Subrecipient’s understanding of the scope.

C. Priority Populations

Priority populations include people of color, people with limited English proficiency, low-income individuals (at or below 80% median family income, MFI¹) and business owners who live in or own a business in a priority area. Service delivery (for enrolled clients and service recipients) should be prioritized to individuals within these populations. Additionally, the IBRN aims to support growth-oriented businesses.

Priority Areas include:

- Cully Boulevard Alliance (NPI)
- Division Midway Alliance (NPI)
- Historic Parkrose NPI
- The Jade District (NPI)
- Our 42nd Avenue (NPI)
- The Rosewood Initiative (NPI)

¹2018 MFI limits can be found at <https://www.portlandoregon.gov/phb/article/684577>

- Lents Town Center Urban Renewal Area & Foster Road subarea
- Gateway Regional Center Urban Renewal Area
- Interstate Corridor Urban Renewal Area & subareas: Alberta Main Street, St. Johns Center for Opportunity and Lombard Street
- East Portland (east of I-205)

A buffer has been applied to the NPI and Main Street priority areas to allow for expanded service delivery. Being located in a buffer area qualifies a business owner as being in a priority area. The buffer is shown online at: <http://bit.ly/M6nyjQ>. Subrecipient shall use this map to identify whether the client is located within a priority area. Prosper Portland may identify additional priority areas during the contract year and will update the map and notify Subrecipient at such a time.

D. Eligibility Guidelines for Enrolled Clients

If businesses meet the eligibility guidelines listed below, they may be enrolled for services and activities delivered with funds provided through this Subrecipient Agreement.

Pre-business clients and existing businesses with 50 or fewer employees, including home-based businesses, that are:

- Located in the City of Portland² (business, residence or both),
- Owned by people with incomes at or below 120% MFI, and
- Have signed an income eligibility verification form.

In addition, a minimum of 75% of Subrecipient's enrolled clients are required to have:

- Incomes at or below 80% MFI and
- Five (5) or fewer employees.

Prior to enrollment, Subrecipient must confirm potential client has not previously been enrolled in the Prosper Portland Microenterprise program by submitting an enrollment request to the Prosper Portland Program Manager.

E. Target Audience

Subrecipient should strive to reach the following targets for enrolled clients:

Target Business Owner	Target Percent
Low Income (at or below 80% MFI)	75%
People of Color	75%
Limited English Proficiency	15%
Located in a Priority Area	50%
Growth-oriented businesses	25%

F. Minimum Activities for Newly Enrolled Clients

² Subrecipient must check address eligibility using map at <http://bit.ly/M6nyjQ>

At a minimum, the following activities should be completed within the first three (3) to six (6) months of client enrollment, and should be completed for all existing clients. Once completed, documents must be maintained in client files or electronically.

Activity	Pre-Business	Existing Business
Three months:		
Create a Service Plan (goals and objectives agreed upon by business owner and advisor)	X	X
Business Registration (city and state)		X
Additional Licensing as Applicable (OLCC, Child/Adult Care, Food Handler, etc.)		X
Narrative progress report documenting accomplishments and next steps	X	X
Six months:		
Create/Review Business Plan (using approved template)	X	X
Develop personal budget	X	X
12 month Cash Flow Projection	X	X
Profit and Loss Projection	X	
Current Profit & Loss Statement (and last 3 yrs)		X
For those seeking a loan of \$5,000 or more: Balance Sheet	X	X

G. Priority Area Business Support

In addition to one-on-one business technical assistance provided to enrolled clients, Subrecipient will provide additional assistance to service recipients in assigned priority areas. It is expected that advisors maintain a close and collaborative relationship with the district manager and maintain communications regarding capacity, activities and participants served, with exception to confidential or sensitive client information.

This support could be provided in various ways including but not limited to drop-in office hours, community outreach, client follow-up services, supporting an area business development strategy and supporting businesses impacted by major area projects (ie infrastructure). Please work with the priority area district manager and Prosper Portland Program Manager to determine what activities would be most appropriate for your assigned area. It is expected that Subrecipient and district manager will enter into a Memorandum of Understanding (MOU).

For assigned priority areas, Subrecipient has agreed to provide a combined six hours of light touch open advising hours a week. Subrecipient will also hold three Business Builders Workshops in St Johns and will hold seats for 40 participants referred from priority areas (and other Network partners as space allows) to attend. Participants will pay \$25 each.

3. PROGRAM EXPECTATIONS

A. Outreach and Recruitment

Subrecipient will provide sufficient outreach and recruitment efforts necessary to reach target audiences identified above.

B. Network of Services

Subrecipient is part of a larger network of resources, and as such shall work together with other service providers to meet client needs. If a client cannot be served by the Subrecipient, or can be better served by another provider, it is Prosper Portland's expectation that a referral will be made.

Prosper Portland will hold monthly network meetings to discuss service delivery issues and to provide professional development opportunities for service providers. In addition to these monthly meetings, Prosper Portland will host 3 – 5 full day trainings and/or IBRN partner worksessions. All business advisors working under this Agreement are required to attend these meetings. Subrecipient contract managers that are engaged in program delivery are encouraged to attend as well.

Supplemental services such as legal support, bookkeeping training, business courses or other professional services may be available to clients for a reduced fee. These services are always changing and the network will be kept up to date on what services are available through a shared document on our Community of Practice Google Drive (<https://tinyurl.com/pdxbiznetwork>).

C. Guidelines for Exiting Clients

While this program is intended to provide long-term service to business owners, it may be determined that some businesses do not need long-term support. It is Prosper Portland's expectation that clients should be exited from the program to open spots for new clients if one of the following is true:

- Business is stable, no identified needs for the near future
- Client is not willing, or is unable, to follow up with assigned activities
- Advisor spends less than 2 hours with client on business-related activities in a 3-month period
- Client moves out of city (exceptions can be made)
- Business closes and client doesn't want to pursue continued business development

Advisor may discuss additional reasons for client exit with Prosper Portland Program Manager to determine best course of action.

D. Core Competencies for Business Advisors

Business advisors working under this Agreement are expected to have the ability to develop positive relationships with clients, motivate them to achieve their goals and provide timely response to their needs, among other soft skills. Business advisors must be able to effectively perform the following assessments:

- Business assessment – Is the business or business idea feasible? Is there a market? Who is their competition?
- Entrepreneur assessment – Is the entrepreneur capable, qualified and prepared to run this business effectively? Do they have the resources, skills and support system needed to succeed?

Business advisors must be able to provide high quality counseling, education, and technical assistance on:

- Financial literacy – Budgeting, record keeping, basic accounting concepts, product and project cost analysis, break even analysis
- Basic financial statements – Prepare and analyze profit and loss and balance sheet
- Cash flow projections
- Pricing strategy and profit analysis
- Loan application – Determine appropriate loan amount through financial planning, assist with loan application
- Business plan – Development and implementation, including a marketing strategy
- Registration and licensing requirements

Business advisors must be able to identify specialty issues such as legal, human resources and accounting needs and be able to refer clients to the appropriate professional services.

Prosper Portland shall be made aware of any major staffing changes prior to changes being made. Prosper Portland may request to be involved in the hiring process of core program staff.

E. Reporting

As part of the IBRN, outcomes reported by Subrecipient will impact the overall outcomes being tracked for the entire network.

Using the online reporting system, Outcome Tracker, Subrecipient shall report all services delivered and outcomes achieved, including but not limited to the following information: client income eligibility and enrollment information, business owner demographics, general business information, business financials, jobs created and retained, business progress reports, services received, hours of technical assistance provided and annual achievements/improvements.

Subrecipient shall submit quarterly narratives to the Prosper Portland Program Manager via a reporting document on the Community of Practice Google Drive. Narratives shall include, at a minimum, client or program successes and challenges. Photos highlighting clients and/or events are appreciated.

Prosper Portland reserves the right to modify reporting fields and request additional information. Subrecipient must keep the data entry current and consistent. Data must be input in Outcome Tracker by the 15th of the month following the end of each quarter, but it is preferred to be entered more frequently in order to have real-time data.

Subrecipient shall maintain the following information in client files: signed income verification form, tax forms if being used for income verification and client service plan. These forms may be maintained electronically.

F. Monitoring

Program monitoring will occur on an annual basis, at a minimum. Subrecipient shall maintain and make available all records related to the program, including services rendered, performance, participant eligibility, demographic data and financial data. At a minimum, records will be reviewed as a part of the annual monitoring process.

EXHIBIT A (cont'd)
SCOPES OF WORK

SCOPE B – North/Northeast Business Navigator

1. OVERVIEW

General Program Description:

Micro Enterprise Services of Oregon (MESO) will provide outreach, resource navigation and light touch business support to African American entrepreneurs, with an emphasis on individuals in North and Northeast Portland. Via this contract, a minimum of 50 entrepreneurs will receive up to 10 hours of service that includes an in person interview to assess needs, business idea and viability, experience and knowledge, credit and access to capital, and provide or refer to any warranted business or social resources to ensure success.

Project Area: N/NE Portland (see Attachment A) defined as all of North Portland and Northeast Portland bound by I-84 on the south and NE 33rd Ave on the east

Duration of Program: July 1, 2018 - June 30, 2019

2. PROGRAM SERVICES AND ACTIVITIES

A. Business Intake/Needs Assessment

During the intake process, Grantee shall establish a relationship with the client, gather information necessary to complete the Client Intake and Business Intake tabs of Outcome Tracker and perform a needs assessment in order to determine best next steps for each client.

B. Service Detail

MESO will provide the following services to approximately 100 clients:

- Intake and initial needs assessment
- Provide light touch technical assistance up to 10 hours
- Topic specific business workshops
- Develop a referral plan and make referrals to Network and other resources, screening for program eligibility when needed
- Support client through referral transition as needed (support with transportation, translation, relationship development) and provide necessary documents to referring partner

C. Priority Population/Target Audience

Emphasis and outreach will be focused on businesses owned by African Americans. Subrecipient should strive to reach the following targets for enrolled clients:

Target Business Owner	Target Percent
African Americans with a business or residential address in N/NE	75%
African Americans with a business or residential address in Portland	25%

3. PROGRAM EXPECTATIONS

A. Network of Services

Grantee is part of a larger network of resources, and as such shall work together with other service providers to meet client needs. If a client cannot be served by the Grantee, or can be better served by another provider, it is Prosper Portland's expectation that a referral will be made.

Prosper Portland will hold monthly network meetings to discuss service delivery issues and to provide professional development opportunities for service providers. All business advisors working under this Agreement are required to attend these meetings. Grantee contract managers that are engaged in program delivery are encouraged to attend as well.

Prosper Portland may sponsor additional trainings for the network. It is expected that business advisors attend and actively participate in these trainings.

Supplemental services such as legal support, bookkeeping training, business courses or other professional services may be available to the network through additional service provider contracts or fee-for-service contracts. These services will be shared with the network once acquired.

B. Reporting

As part of the Network, outcomes reported by Grantee will impact the overall outcomes being tracked for the entire network.

Using the online reporting system, Outcome Tracker, Grantee shall report all services delivered and outcomes achieved, including but not limited to the following information: client intake information, business owner demographics, general business information, business financials, jobs created and retained, business progress reports, services received, hours of technical assistance provided and annual achievements/improvements.

Grantee shall submit quarterly narratives to the Prosper Portland Program Manager via email. Narratives shall include, at a minimum, client or program successes and challenges.

Prosper Portland reserves the right to modify reporting fields and request additional information. Subrecipient must keep the data entry current and consistent. Data must be input in Outcome Tracker by the 15th of the month following the end of each quarter, but it is preferred to be entered more frequently in order to have real-time data.

ATTACHMENT A: Map of N/NE Portland

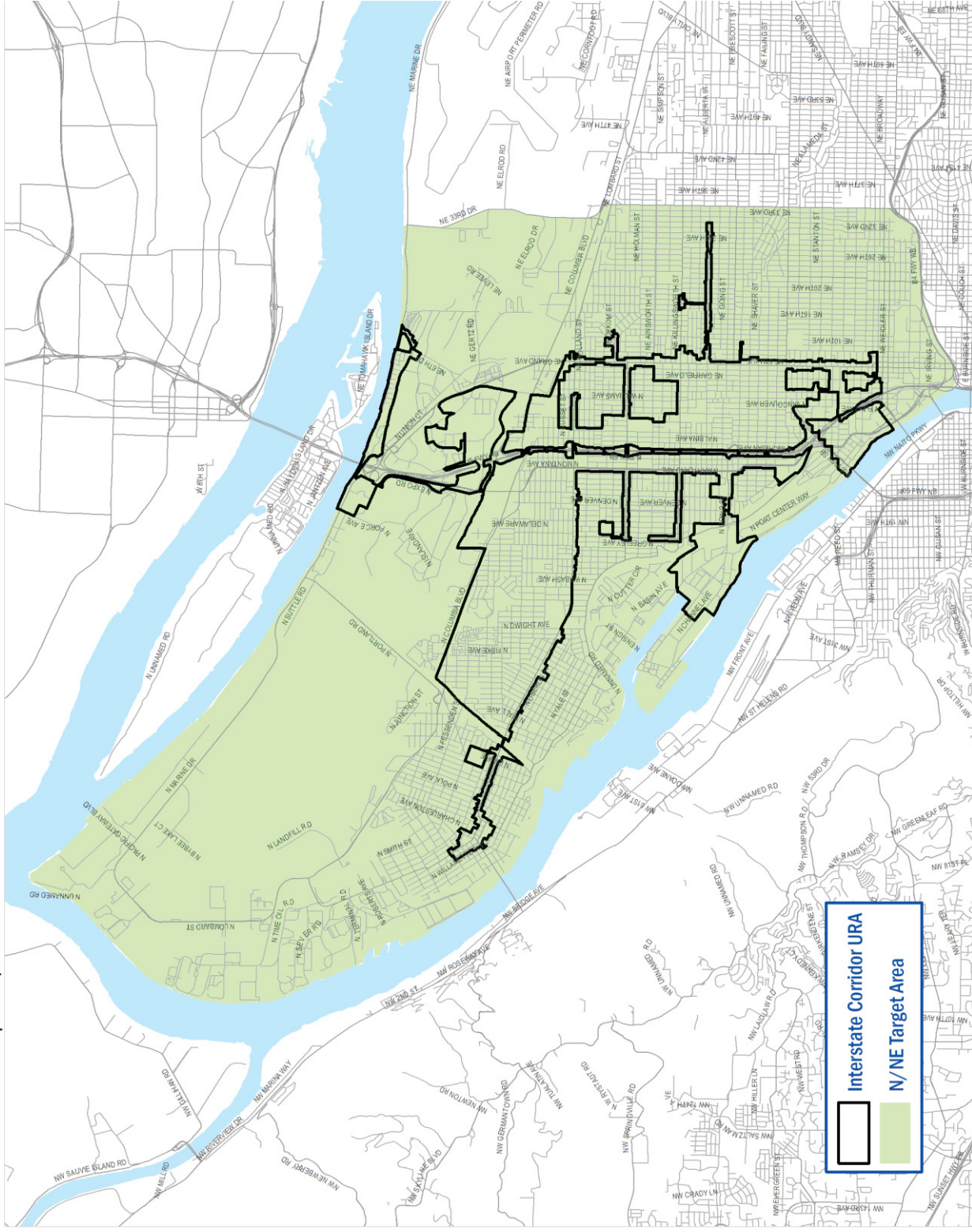


EXHIBIT B
Budget – FY 2018-2019

Total All Sources	GF	CDBG	Ezone
\$488,000	\$195,845	\$202,000	\$90,155



**PROSPER
PORTLAND**
Building an Equitable Economy

RESOLUTION NO. 7288

RESOLUTION TITLE:

AUTHORIZING AN AMENDMENT TO THE SUBRECIPIENT CONTRACT WITH MICRO ENTERPRISE SERVICES OF OREGON TO IMPLEMENT A PORTION OF THE INCLUSIVE BUSINESS RESOURCE NETWORK DURING FISCAL YEAR 2018/19


Adopted by the Prosper Portland Commission on September 12, 2018

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Gustavo J. Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Alisha Moreland-Capuia MD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Francesca Gambetti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Peter Platt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Regular Agenda				

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Prosper Portland Commission and as duly recorded in the official minutes of the meeting.

	<p>Date: September 14, 2018</p>
<p>Pam Feigenbutz, Recording Secretary</p>	