

REQUEST FOR PROPOSALS

CANNABIS BUSINESS DEVELOPMENT EQUITY PROGRAM

Proposals Due: Monday June 4, 2018 by 2:00 p.m.

RFP Coordinator	Proposal Delivery Location
Amanda Park 503-823-3340 (direct) parka@prosperportland.us (email)	Email to: parka@prosperportland.us Subject Line: RFP: Proposal for CBD Equity Program *Once you submit your response you will receive an email confirmation. If you do not receive confirmation prior to the time proposals are due, please follow up with a phone call to the RFP Coordinator.

Activity	Date
RFP Issued	Wednesday, May 9, 2018
RFP Info Session	Wednesday, May 16, 2018 at 2:00 pm at Prosper Portland RSVP here
Deadline for Questions or Requests for Change	Monday, May 21, 2018 by 2:00 pm
Revised RFP Issued	Wednesday, May 23, 2018 by 2:00 pm
Proposals Due	Monday, June 4, 2018 by 2:00 pm
Selections Made (anticipated)	Wednesday, June 27, 2018
Grant Effective Date	Sunday, July 15, 2018

Since July 2017, Prosper Portland has funded and convened the Inclusive Business Resource Network (“IBRN” or the “Network”), a group of 11 organizations plus two affiliate partners (Metropolitan Family Services and Small Business Legal Clinic). The Network is working collectively on systemic change to create an inclusive entrepreneurial community in Portland.

Through focused resources, collaboration and client-centered services the IBRN seeks to drastically shift outcomes for business owners of color, immigrants, women founders, and other underrepresented minorities. The Network serves approximately 600 businesses each year, and 400 businesses receive long-term support (30+ hours a year). Of those 400 businesses, at least 75 percent are owned by people of color; at least 65 percent are women-owned.

IBRN seeks to improve service delivery to minority and women entrepreneurs by achieving three goals:

- **Lead with outcomes.** Set ambitious goals to see more businesses owned by people of color grow and scale. Design a common-sense reporting system in collaboration with service providers that reports on outcomes, not just outputs.
- **Improve services across Prosper Portland's portfolio of programs.** Accept user feedback from both businesses and organizations to improve design of the delivery system.
- **Support an inclusive learning community.** Create and grow a learning community across sectors for practitioners focused on serving entrepreneurs of color and women entrepreneurs. Develop a shared mission among a variety of organizations and a shared language for racial equity. Selected partners are expected to attend monthly meetings to share best practices and coordinate referrals throughout the network.

Services that integrate with the network include:

- Mercatus, a business directory for entrepreneurs of color that provides a platform for storytelling, pathways to new market opportunities, and access to signature events such as My People's Market;
- A portfolio of capital programs such as micro loan products, seed funding and business loans;
- Legal support, accounting, market research, and other specialized services.

A unique aspect of the IBRN is a network of business navigators and business drop-in centers, connected to Neighborhood Prosperity Initiative (NPI) areas and organizations serving communities of color, that ensure cultural and geographic diversity citywide. This network receives resources to support outreach to businesses, especially those in rapidly gentrifying areas and areas impacted by transit construction. The light-touch support (5 – 10 hours per client) operates as a feeder to long-term programs in the IBRN.

The programs in the IBRN focus on supporting a business from startup through growth and ensuring technical assistance leads to wealth creation. Partners report outcomes for this program via software using a badge system for business owners receiving support Network-wide. See Appendix A to learn more about outcomes reporting and five-year milestone goals.

CANNABIS BUSINESS DEVELOPMENT (CBD) EQUITY PROGRAM

Overview

The City of Portland and Prosper Portland recognize that addressing the unique needs of cannabis businesses requires specialized technical assistance. While the recent legalization of cannabis presents new business opportunities, entrepreneurs of color face multiple obstacles resulting from previous cannabis prohibition. A 2015 study by the Oregon Criminal Justice Commission found that African Americans in Oregon were convicted of felony drug possession at more than double the rate of white offenders; Native Americans were convicted of drug possession at five times the rate of whites. From 2006 to 2014, 21 percent of Multnomah County criminal cases related to marijuana were connected to African Americans although the African American population hovered around 5.7 percent of the total population in that time period.

Based on results of a community survey and recommendations from a stakeholder Cannabis Tax Steering Committee that included restorative justice experts, community partners, and minority cannabis business owners, the City of Portland is allocating \$150,000 of the cannabis tax revenues to address the following areas:

1. Access to business technical support for minority-owned cannabis businesses. This includes mentoring, business basics, finance and legal support.
2. Innovation in the cannabis supply chain as well as downstream businesses
3. Access to capital

On behalf of the City of Portland, Prosper Portland will grant the \$150,000 to one or two successful applicants.

Successful proposers can either be organizations or independent contractors with relevant experience in providing technical assistance to businesses, with some cannabis and/or food product industry experience preferred. Contractors will also be evaluated on their ability to provide culturally responsive assistance to entrepreneurs in the priority populations identified.

Priority Populations

- Entrepreneurs from communities that have been disproportionately, negatively impacted by the prohibition of cannabis

Budget

- Approximately \$100,000 of cannabis tax resources is available for FY 2018/19 to deliver cannabis business technical assistance to priority populations;
- Prosper Portland anticipates entering into a one-year renewable grant agreement, subject to annual budget availability and approval;
- Administrative costs, including indirect, may not exceed 15 percent of total contract amount;
- An additional \$50,000 is available for direct grants to minority-owned cannabis businesses. The contractor(s) selected via this RFP will be responsible for administering those grants.

Services to be provided

- Outreach to cannabis business owners and entrepreneurs within communities of color, particularly the African American, Latino and Native American communities in Portland.
- One-on-one technical assistance of at least forty hours from July 1, 2018 to June 30, 2019 for 10-12 entrepreneurs (5-6 if two contractors are chosen and funding is split between two organizations).

Other Requirements

- Join the Inclusive Business Resource Network to make referrals to appropriate resources within and outside the IBRN
- Work closely with Office of Neighborhood Involvement and Bureau of Development Services to assist business owners with permitting and licensing
- Participate in the Inclusive Business Resource Network Cannabis Business Development Committee to develop a plan for building out business services for cannabis business owners of color throughout the city
- Report quarterly on number of clients and hours served
- Report annually on client business progress and milestones achieved

EVALUATION

Prosper Portland is engaging a selection committee to evaluate proposals under this RFP. The selection process will be based on the responses to the *Submittal Requirements* section of this RFP plus any additional information that Prosper Portland may discover or request. Each category below will be evaluated by the selection committee using the following criteria. The selection committee will review all complete submissions and provide recommendations to Prosper Portland. Prosper Portland, in its sole discretion, will select and award grant agreements to best meet the goals identified by the City of Portland and the Cannabis Tax Steering Committee. In the event that Prosper Portland obtains additional funding for business technical assistance, Prosper Portland reserves the right to allocate those funds among successful respondents as it sees fit.

Evaluation Categories:

- Program Proposal/Overview (40 points)
- Equity & Cultural Competency (40 points)
- Experience & Expertise in Working with Entrepreneurs and Small Businesses (30 points)
- Cannabis Industry Expertise (40 points)
- Capacity & Outcomes (20 points)
- Partnership & Collaboration (30 points)

Evaluation Criteria:

- Thoroughness and clarity of the response
- Experience and qualifications
- Demonstrated past performance
- Proposed vision and consistency with IBRN goals

SUBMITTAL REQUIREMENTS

To respond to this RFP, address all points in the *Submittal Requirements* section of this RFP in an email (preferably as an Adobe Acrobat attachment) to the RFP Coordinator listed above no later than the deadline above.

Length of Proposal:

If the proposal includes multiple partners, please select lead partner to submit the proposal and clearly identify partners in the *Partnerships & Collaboration* section. Below is clarification on maximum length of proposals:

- a. Eight (8) pages for proposals with one partner or proposer.
- b. If a partnership is submitting a proposal, one partner shall be identified as the lead and will complete the majority of the proposal. Submittals are allotted one (1) additional page for each non-lead partner. This page should include contact information for the non-lead partner and should convey information about that organization that you wish to share with the selection committee, such as mission, service levels, cultural competencies, organizational capacity, etc.
- c. If you would like to submit a resume for key roles, you can add two more pages for the resume(s).

1. Program Proposal/Overview- 40 points

Include answers to the following in your response:

- Describe how your approach meets the Cannabis Business Development Equity Program priority areas:
 - Access to business technical support for minority-owned cannabis businesses, e.g. mentoring, business basics, finance and legal support.
 - Innovation in the cannabis supply chain as well as downstream businesses
 - Increase access to entrepreneurial opportunities for populations disproportionately impacted by the prohibition of cannabis
- Please describe the program you are proposing and include
 - The number of clients you would serve;
 - Components of program – one-on-one advising, cohort model, mentoring, etc.
 - Services you would provide
 - Relevant partnerships
 - Program goals and success indicators
- What stage(s) of business would your program serve and why
 - Concept stage: Entrepreneur has an idea, has done some research but does not yet have a product in the market.
 - Startup: Entrepreneur has either tested or piloted their idea in the market or has just launched their product/service in the market with some paying customers.
 - Growth: Entrepreneur has an established business with a strong customer base but needs to implement systems and processes to scale. Entrepreneur may or may not have position cash flow.
- How will you find entrepreneurs at the business stage you plan to serve and within the priority populations identified in this RFP?

2. Organizational Equity & Cultural Competency- 40 points (organization's cultural competency,

connection to diverse populations)

Include answers to the following in your response:

- Provide an overview of the demographics of the population you served in the past year or community organizations that you are affiliated with.
- What priority population will you serve and what specific proactive steps will you take to reach them?
- How is your approach effective for the priority populations identified in this proposal?
- How do you incorporate feedback from clients into your work? Provide an example of how you have modified services in order to better serve a client.
- Please describe any equity training key staff involved with this proposal have received and how that has impacted their work.
- In your opinion what are the equity implications of cannabis legalization?
- Describe your staff and board's cultural expertise, including any non-English language capabilities.

3. Experience & Expertise in Working with Entrepreneurs and Small Businesses - 30 points
(Technical expertise, experience helping entrepreneurs succeed, tracking outcomes, etc.)

Include answers to the following in your response:

- What key indicators or factors do you look at when you work with a client to assess the health of their business?
- Please describe business development and support services you can offer. What services would you need to rely on other IBRN organizations or other partners to provide? (i.e. legal, finance, marketing, etc.)
- What is the most critical business-related barrier that you or your organization can help businesses overcome?
- Please describe how you tailor your approach to the stage of business you would like to serve for this program (concept stage, startup, growth).

4. Cannabis Industry Expertise- 40 points

Include answers to the following in your response:

- Please share your experience working with cannabis businesses or in the cannabis industry, include experience in navigating cannabis regulations and permitting.
- How would you advise a cannabis business finding legal and accounting support?
- What cannabis associations or networks are you associated with or do you support?
- What hurdles exist in providing cannabis business support for your identified priority population?
- What approaches/methods will you use to overcome those challenges?

5. Capacity & Outcomes - 20 points (fits within organization's capabilities, able to appropriately staff the service, leverage other resources)

Include answers to the following questions that apply to you and/or your organizations in your response:

- Do you currently provide business advising services? If so, how many clients do you serve annually? How many Full Time Equivalent (FTE) or full time staff are providing the service and how many clients does each full time staff person serve?
- Are you looking to expand the reach of your services (i.e. adding new staff to serve new businesses)? If so, please share what you can about your staff onboarding process?
- Describe your or your organization's fiscal staffing structure, accounting system and processes for budget management and oversight.
- Describe your processes and prior experience managing governmental funding.
- How do you currently track outcomes for reporting to your stakeholders (i.e. key funders, board, et al)?
- Include any relevant experience that you or key staff on this project have as it relates to the scope being proposed.
- For independent contractors, how may this conflict with other projects or contracts you have for FY 2018/19? How will you properly staff the administrative needs for this position?

6. Partnership & Collaboration - 30 points

Include answers to the following in your response:

- How do you see yourself working within a larger network of service providers?
- What do you think you will gain from participating in the Inclusive Business Resource Network community of practice?
- If your proposal includes a partnership or will heavily rely on other partners and professionals in your network, describe this partnership and/or collaborations.
- How do you envision working with the city (permitting, licensing, etc.) to ensure its services have a strong racial equity lens in serving cannabis entrepreneurs of color?

7. Please provide up to three references who are not board members, organization members or staff whom Prosper Portland may contact to confirm the statements above.

8. Budget

Provide a program budget in the following format. The budget should be broken out into two parts, costs related directly to program delivery and overhead administrative costs. Add additional rows as necessary. Please provide hourly rates for any key staff identified.

In the table or in a separate paragraph or table, identify any leveraged resources, including in-kind resources.

PROGRAM DELIVERY (Costs related to direct service)	
Staff 1	
Staff 2	
Staff 3	
Taxes/Benefits	
Materials and Service (office supplies, printing, consultant fees, etc)	
Operating Expenses (Rent, Utilities, Insurance, etc)	
Other	
Program Activity Delivery Subtotal	
PROGRAM ADMINISTRATION OVERHEAD (not to exceed 15%)	
Staff	
Staff	
Taxes/Benefits	
Other	
Other	
Program Administration Subtotal	
TOTAL	

RFP Fine Print

Prosper Portland reserves the right to change or cancel this RFP, waive minor informalities of any response, request additional information to evaluate a response, and negotiate a grant with the successful proposers. This RFP is not subject to any process except as described herein. All submitted applications will become the property of Prosper Portland and will be subject to public inspection per the Oregon Public Records Law (ORS 192).

INCLUSIVE BUSINESS RESOURCE NETWORK

Five-Year Milestone Goals

Starting in fiscal year 2017/2018, outcomes for the Inclusive Business Resource Network will be reported via a badge system as described below. The outcomes and program portfolio were designed with an emphasis on supporting a business through growth and ensuring technical assistance leads to wealth creation outcomes for disadvantaged entrepreneurs (people of color, women founders and low income business owners).

Prosper Portland rigorously vetted these categories and determined milestones with input from the technical assistance providers in the Inclusive Business Resource Network. Estimated outcomes were based on data from previous small business programs managed by Prosper Portland.

BADGE CATEGORIES: To report outcomes, program delivery providers will complete a fiscal year annual checklist to report on client progress. Each badge category has 9 – 12 determining milestones reviewed through the annual checklist. Clients must meet four of the possible milestones in each category to have earned one of the following badges.

Strong and Stable: (Goal: 1,000 entrepreneurs achieve this badge in 5 years)

This is often the first milestone a business reaches. “Strong and Stable” business owners have established a foundation for the future and receive a benefit from their business. Business owners in this category are developing systems for running their business and reaching their market. There are many challenges for the “Strong and Stable” business. Despite finding some consistency and reliability, the business owner is still learning by doing and may suffer higher marginal costs. This business may still be managed and operated by the owner, limiting their capacity or ability to take advantage of emerging market opportunities.

Milestone Examples: Legal foundations in place, stable sales, improved accounting practices, owner taking income from business

Growth: (Goal: 250 entrepreneurs achieve this badge in 5 years)

The “Growth” category is characterized by at least one of two factors: increasing sales or increasing margins. “Growth” businesses are realizing efficiencies in ordering, scheduling, and/or production. They are also becoming more established in their market and are seeing demand for their product or service increase. Owners in this category are recognizing the value of their business and are fully invested in its’ development. Challenges “Growth” businesses face include: capitalizing on growth opportunities, cash flow may still ebb and flow or may be too young for traditional financing; owners may be unsure how to transition from solopreneur to manager.

Milestone Examples: Increased gross revenue by 20%, increased net profit margin, hired employees for key business function

Scale: (Goal: 25 entrepreneurs achieve this badge in 5 years)

A “Scale” business is an existing business that is expanding. They have a market-proven product or service and are investing in the expansion of their business footprint. These business owners are most typically growing in an incremental way and can often use future cash flow to collateralize expansion goals. These business owners often follow after the “Strong and Stable” and “Growth” categories. Challenges this category might face include: adapting systems to the expanded business footprint, weighing trade-offs, and sizing up the supply chain.

Milestone Examples: Gross revenue at least \$500,000 and/or raised at least \$500,000 in outside investment, significant employee increase, hired at least one additional key executive

Getting Ready to Launch: (Goal: 100 entrepreneurs achieve this badge in 5 years)

Focused on consumer product and tech startups (traded sector entrepreneurs), this category will see aspiring entrepreneurs move past concept and launch a product or technology into a new market. These entrepreneurs may fail several times as they test the product market fit. “Launch” entrepreneurs will have the skills to pitch and stress test their product, and pivot when necessary. Hurdles for the “Launch” entrepreneur include: market validation, identifying and leveraging competitive advantages, and learning how to fail fast.

Milestone Examples: Developed financial pro forma, launched product into market with traction, completed pitch deck/pitch