

REQUEST FOR PROPOSALS: REVOLVING LOAN FUND ADMINISTRATOR

ARDC

The Arrowhead Regional Development Commission (ARDC), through planning and community design, helps make the Arrowhead Region a great place to live, work, play, and learn. Planning and promoting Scenic Byways, conducting long range comprehensive community plans, developing the Region's Comprehensive Economic Development Strategy, creating zoning ordinances that ensure positive community aesthetics, planning and implementing recreation facilities, leading active and healthy living initiatives, developing community landscape designs, doing focused transportation planning in the Duluth-Superior metro area, and providing services and programs for older Americans are just some of the ways ARDC impacts northeast Minnesota. One of our programs is a Federally funded Revolving Loan Fund (RLF).

ARDC's offices are located in downtown Duluth, Minnesota.

ARDC's Revolving Loan Fund

ARDC is seeking a qualified firm or individual to administer our RLF. The purpose of the ARDC RLF is to support business activities for which credit is not otherwise available on terms and conditions which would permit completion and/or the successful operation or accomplishment of the project in the seven-county Arrowhead Region of Northeast Minnesota. The primary objective of the program is the stimulation of private investment in order to create and maintain productive, permanent employment through the establishment of new businesses or the expansion of existing businesses. Financing provided in conjunction with this program is intended to compliment, not compete with private lending institutions. As such, securing private sector involvement is a critical factor in qualifying for this program. Loans will generally be subordinated to the interests of private sector lenders in order to encourage their involvement.

ARDC's RLF generally has between six and ten loan closings per year (January to December). ARDC's current portfolio has about 75 awarded and active loans in the Region.

The Role of the RLF Administrator

Overview

The RLF Administrator will represent and act on behalf of ARDC in all aspects of program administration including program marketing, loan processing and review, presenting loans and recommendations to the RLF Technical Committee, loan closing, and loan servicing functions. The RLF Administrator will also represent and act on behalf of ARDC with respect to the compliance and implementation of the various terms and conditions of any and all grant agreements entered into with respect to this program including the federally approved Revolving Loan Fund Plan.

Loan Fund Marketing

The RLF Administrator will conduct marketing activities for the purpose of obligating the remaining RLF funding. This will include participating in opportunities to present the RLF as one of the region's economic gap financing programs in three annually planned nontraditional lender forums that include other regional lending partners, four annually organized bank lenders meetings in the region, and ongoing marketing and outreach to the current and past RLF borrowers, region's bank lenders, and development network representatives.

Ongoing Reporting

As part of its RLF program administration, the RLF Administrator will continue to provide a detailed daily summary of RLF administrative activities to ARDC as part of its detail provided in the RLF Administrator's monthly invoice for RLF administrative services. The RLF Administrator will prepare the Federal Economic Development Administration (EDA) Semi Annual Report to EDA each year as required by the EDA RLF Grant Agreement and an electronic copy of the report will be forwarded to ARDC the date that it is filed with the EDA.

Loan Application Processing and Loan Credit Review and Approval

The RLF Administrator will act on behalf of the ARDC in authorizing full applications for eligible projects consistent with the policies set forth in this Revolving Loan Fund Plan. Once a full application has been authorized, the RLF Administrator will discuss with the business the full details of the application preparation. The full application includes a list of items and exhibits required of RLF loan applicants. Once the complete full application has been received, the RLF Administrator conducts a review of the application.

The RLF Administrator will prepare a loan summary and will present the loan summary with a recommendation to the Technical Advisory Committee; the Technical Advisory Committee will make a recommendation to the ARDC Board. The RLF Administrator will present the Technical Advisory Committee recommendation in the form of a Loan Commitment Resolution to the ARDC Board. Draft resolution language will be developed by the RLF Administrator and sent to ARDC for approval. The RLF Administrator will inform the applicant in writing of the decision made by the ARDC Board and will require acknowledgment of an approved Loan Commitment Resolution.

Loan Closings and Ongoing Administrative Activities

Loan closings will be handled by the RLF Administrator and ARDC's attorney in conjunction with the attorney of the borrowers. Prior to closing the RLF Administrator will (i) review all required and necessary loan documents, (ii) make sure that all necessary loan documents have been provided to applicant for review, (iii) review evidence of insurance and (iv) make sure that all loan fees be paid prior to loan disbursement. The RLF Administrator will prepare a purchase requisition with loan approval documentation to request to ARDC disbursement on approved ARDC RLF loans.

Loan payment and accounting services will be provided by ARDC using the GMS Loan Accounting Software. The RLF Administrator will provide payment billings and notices to borrowers in conjunction with ARDC and its GMS Loan Accounting Software. Additionally the RLF

Administrator will address monthly record keeping, itemizing total principal payments and balances, interest payments and balances, and loan fee payments and balances.

Day to day loan servicing will be handled by the RLF Administrator. The RLF Administrator will monitor and keep records on accounts in terms of special provisions of the loans, which relate to overall program objectives such as jobs, investments, etc. The RLF Administrator will collect ongoing financial information, annual insurance renewals, file any required UCC extensions, conducting borrower site visits and compliance with federal requirements of the grant.

The RLF Administrator will be responsible for addressing loan delinquencies and defaults in a timely fashion. For any loans in default or delinquency, the RLF Administrator will prepare a report that outlines the way that the loan recipient is in default delinquency and describes a plan of action for addressing the issue. That plan of action will be forwarded to ARDC for review.

Loan files will be maintained by the RLF Administrator for each approved loan. Files will include all loan closing documents as well as other loan files generated for the loan process.

The RLF Administrator will collect ARDC's Revolving Loan Fund payments and provide them to ARDC finance staff.

Proposal Due Date

All proposals, in PDF format, must be emailed to Andy Hubley at ahubley@ardc.org by 3:00pm on January 31, 2020. Questions should be directed to the same email address. Answers to pertinent questions will be posted at www.ardc.org/rf.

Proposal Format

Background and Contact Information

Provide a description of the firm and the individuals that would be working on the ARDC RLF. Provide names, relevant work experience, and hourly rate for each person. Provide contact information for the lead staff person. Note that individuals, in addition to firms, are also welcome to respond.

References

Provide a description and contact information of at least two pertinent references that can be contacted by ARDC.

Compensation

Please provide the hourly cost rates for each person that would be assigned to the ARDC RLF. Total compensation for the RLF Administrator will be negotiated with potential awardees following the RFP process. Qualified direct expenses would be reimbursed by ARDC. Certain direct

expenses are limited to Minnesota's Commissioners Plan. <https://mn.gov/mmb/employee-relations/labor-relations/labor/commissioners-plan.jsp>

Criteria/Review

ARDC will form a Proposal Review Committee to examine the proposals and assist with the award decision. Criteria will include, but not be limited to, experience, demonstrated proficiency, hourly rates, and attention to detail.

Additionally, to be awarded the contract, firms must have insurance in the amounts and coverages shown on Exhibit A attached hereto. If you are an individual and do not carry that level of insurance, we will work with you to identify insurance opportunities.

Award Timeline

ARDC intends to have the RLF Administrator in place by April 1, 2020. ARDC reserves the right to reject all proposals and to not award a contract to anyone and to seek other solutions.

Tennessee Warning

The Proposer must also provide a completed Tennessee warning in the form attached hereto as Exhibit B, along with its proposal.

Formal Agreement

The ARDC will require a formal agreement to effectuate any proposal. The agreement will include, but is not limited to, the following: the time within which the services will be performed; the proposer's and ARDC's responsibilities and the compensation.

Cost of Response Preparation

Submitting a proposal shall create no relationship or duty on the part of the ARDC. There is no expressed or implied obligation for the ARDC to reimburse proposer for any expenses incurred in preparing proposals in response to this RFP.

Independent Contractor

The relationship between the ARDC and proposer will be that of independent contractor.

Minnesota Government Data Practices Act

Proposer acknowledges that ARDC is subject to the provisions of the Minnesota Government Data Practices Act.

Proposer must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided by ARDC in accordance with this Agreement and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by proposer in accordance with this Agreement. The civil remedies of Minnesota Statutes § 13.08, apply to proposer and ARDC.

Minnesota Statutes, Chapter 13, provides that all government data are public unless otherwise classified. If proposer receives a request to release the data referred to in this Section, proposer must immediately notify ARDC and consult with ARDC as to how proposer should respond to the request. Proposer's response shall comply with applicable law, including that the response is timely and, if proposer denies access to the data, that proposer's response references the statutory basis upon which proposer relied. Proposer does not have a duty to provide public data to the public if the public data is available from ARDC.

Minnesota Laws Apply

The Proposer agrees that this document and the discussions/negotiations shall be governed by the laws of the State of Minnesota

The proposer agrees to at all times observe and comply with all laws, ordinances, regulations and codes of the federal, state, and local government which may in any manner affect the preparation of proposals or the performance of any agreement(s).

Assignments

The proposer shall not assign any interest in this proposal and shall not transfer any interest in the same without the prior written consent of ARDC.

EXHIBIT A
Insurance

1. Standard of Performance and Insurance; Indemnity. All services to be performed by RLF Administrator hereunder shall be performed in a skilled, professional and non-negligent manner. RLF Administrator shall obtain and maintain at his/her/its cost and expense:

1.1. Comprehensive general liability insurance that covers the consultant services performed by RLF Administrator for ARDC with a combined single limit of liability of at least One Million Dollars (\$1,000,000.00).

1.2. Errors and omissions or equivalent insurance that covers the consultant services performed by RLF Administrator for ARDC with a combined single limit of liability of at least One Million Dollars (\$1,000,000.00).

1.3. Worker's compensation insurance covering RLF Administrator (if an individual) all of RLF Administrator's employees with coverages and limits of coverage required by law.

1.4. In addition to the coverages listed above, RLF Administrator shall maintain a professional liability insurance policy in the amount of Two Million Dollars (\$2,000,000). Said policy need not name the ARDC as an additional insured. It shall be RLF Administrator's responsibility to pay any retention or deductible for the professional liability insurance. RLF Administrator agrees to maintain the professional liability insurance for a minimum of two (2) years following termination of this Agreement.

RLF Administrator shall indemnify and hold harmless ARDC from and against all errors, omissions and/or negligent acts causing claims, damages, liabilities and damages arising out of the performance of his/her/its services hereunder.

RLF Administrator certifies that RLF Administrator is in compliance with all applicable worker's compensation laws, rules and regulations. Neither RLF Administrator (if an individual) nor RLF Administrator's employees and agents will be considered ARDC employees. Any claims that may arise under any worker's compensation laws on behalf of any employee of RLF Administrator and any claims made by any third party as a consequence of any act or omission on the part of RLF Administrator or any employee of RLF Administrator are in no way ARDC's obligation or responsibility. By signing this Agreement, RLF Administrator certifies that RLF Administrator is in compliance with these laws and regulations.

RLF Administrator shall deliver to ARDC, concurrent with the execution of this Agreement, one or more certificate(s) of insurance evidencing that RLF Administrator has the insurance required by this Agreement in full force and effect. ARDC shall be named as additional insured under such RLF Administrator's comprehensive general liability policy. The insurer will provide at

least thirty (30) days prior written notice to ARDC, without fail, of any cancellation, non-renewal, or modification of any of the RLF Administrator's comprehensive general liability policy or coverage evidenced by said certificate(s) for any cause, except for nonpayment of premium. The insurer will provide at least ten (10) days prior written notice to ARDC, without fail, of any cancellation of any of the RLF Administrator's comprehensive general liability policy or coverage evidenced by said certificate(s) for nonpayment of premium. RLF Administrator shall provide ARDC with appropriate endorsements to RLF Administrator's comprehensive general liability policy reflecting the status of ARDC as an additional insured and requiring that the foregoing required notice of cancellation, material alteration or non-renewal be provided ARDC by the insurance company providing such insurance policy to RLF Administrator.

The RLF Administrator shall require any subcontractor permitted by ARDC to perform work for RLF Administrator on the Project to have in full force and effect the insurance coverage required of the RLF Administrator under this Agreement before any subcontractor(s) begin(s) work on the Project. RLF Administrator shall require any such subcontractor to provide to RLF Administrator a Certificate of Insurance evidencing that such subcontractor has the insurance required by this Agreement in full force and effect. The RLF Administrator and ARDC shall be named as additional insureds under such policies. The insurer will provide 30 day written notice to ARDC and RLF Administrator, without fail, of any cancellation, non-renewal, or modification of the subcontractor's comprehensive general liability policy or coverage evidenced by said certificate(s) for any cause, except for nonpayment of premium. The insurer will provide at least ten (10) days prior written notice to ARDC, without fail, of any cancellation of any of the subcontractor's comprehensive general liability policy or coverage evidenced by said certificate(s) for nonpayment of premium. ARDC shall also be provided with appropriate endorsements to subcontractor's comprehensive general liability policy reflecting the status of ARDC as an additional insured and requiring that the foregoing required notice of cancellation, material alteration or non-renewal be provided ARDC by the insurance company providing subcontractor's comprehensive general liability policy.

EXHIBIT B
TENNESSEN WARNING
Data Practices Advisory

The information that you are asked to provide is classified by state law as either public, private or confidential. Public data is information that can be given to the public. Private data is information that generally cannot be given to the public but can be given to the subject of the data. Confidential data is information that generally cannot be given to either the public or the subject of the data.

Our purpose and intended use of this information is to consider your proposal in response to a Request for Proposal.

You are not legally required to provide this information.

You may refuse to provide this information.

The consequences of supplying or refusing to supply data are that your proposal may not be considered or it may be denied.

Other persons or entities may be authorized by law to receive this information. The identity of those persons or entities, if known, are as follows: _____
_____.

The undersigned has read this advisory and understands it.

Dated this _____ day of _____, 20__.

Print Name

Signature and Title (if signing on behalf of an entity)