

## Addendum to RFP #006 issued on October 12, 2023

July 29, 2024

*This addendum includes all changes to the terms in the original RFP. In case of any contradictions, the terms of this Addendum will supersede any terms from the original RFP or supplementary documents to the original RFP.*

### REVISED TERMS TO ORIGINAL RFP

1. **Section 1.2.** Schedule of Performance is revised as follows: Services of the consultant(s) are expected to commence on January 1, 2025 and continue through December 31, 2030.
2. **Section 2.1.6.** On-Time Delivery is revised as follows: Any proposal submitted after Friday, September 20, 2024, 5:00 PM PST may be rejected.
3. **Section 2.4.2.** LADF Responses is revised as follows: To ensure a response, questions, inquiries or clarifications must be received in writing via email by Friday, August 30, 2024, 5:00 PM PST.
4. **Section 2.5.2(d)** is incorporated as follows: Operational projections for a six-year period, on an annual or quarterly basis, providing anticipated cash flows including, but not limited to, total loan amounts funded and repaid, interest income, and fees paid by the microloan fund. Please remember that a 1.0% charge will be incorporated into the interest rate for LADF's fee.
5. **Exhibit A, Section 1** is revised as follows: EWDD, in conjunction with City Council offices, will conduct outreach to attract potential borrowers. However, the chosen vendor will not be precluded from participating in outreach, as desired. Participation by the chosen vendor in informational events or other outreach efforts may be billed separately to LADF in the same manner as technical assistance fees.
6. **Exhibit A, Section 2** is incorporated as follows: Technical Assistance: Provide technical assistance support that businesses are unable to obtain through their registered City of Los Angeles Business Source Centers, including advice, consultation, and training in basic business practices such as accounting, drafting applications, and creating five-year business plans. Respondents may stipulate additional types of assistance and support that may be necessary based on their experiences in microloan finance.

Please remember, fees and costs of the selected vendor for providing technical assistance services to borrowers will be billed (monthly) directly to LADF, as opposed to the other services listed here which will be provided in exchange for closing fees and interest payments received from operations of the microloan fund. All responses to this RFP **MUST** include an hourly rate for providing technical assistance as well as an estimated total reserve to cover technical assistance charges for the initial term of the loan fund. The estimated total reserve is for informational purposes. The vendor will be paid for actual hours spent and will not be capped at the estimated reserve.

7. **Exhibit B, Section "Initial Program Funding"** is revised as follows: LADF will set aside capital to finance the costs of technical assistance to businesses, potential and actual borrowers.
8. **Exhibit B, Section "Eligibility Criteria"** incorporates additional criterion as follows: Must be registered with a City of Los Angeles Business Source Center
9. **Exhibit B, Section "Eligible Uses"** incorporates additional uses as follows:

- Loan refinancing, including personal credit cards and automobile loans, provided that documentation is provided demonstrating that the original use was for business operations
- Developing a professional social media presence and marketing plan

10. **Exhibit B, Section “Fees”** is revised as follows: Closing Fees: Respondents to the RFP should assume that closing fees and interest payments on microloans will pay for all of the selected vendor's costs, excluding charges related to technical assistance which will be paid directly by LADF (*see below*). Closing fees should be structured to be paid by the microloan fund at closing of each microloan and included in the borrower's loan principal for repayment.

To reduce closing costs, LADF, in conjunction with the selected vendor and LADF legal counsel, intends to establish a standard set of loan documents to be used for the program. The legal fees associated with creating standard documents will be paid by LADF. Any legal fees associated with adapting the standard loan documents to a specific loan may be included in the closing fee and paid accordingly.

Technical Assistance Fees: Fees and costs of the selected vendor for providing technical assistance services to borrowers will be billed (monthly) directly to LADF, as opposed to the other services listed in the Exhibit A: Scope of Work which will be provided in exchange for closing fees and interest payments received from operations of the microloan fund. The selected vendor will provide technical assistance and charge LADF with the associated fees only to the extent that borrowers are unable to receive technical assistance through the City of Los Angeles Business Source Centers with which they are registered.

Respondents to the RFP **MUST** include an hourly rate for providing technical assistance as well as an estimated total reserve to cover technical assistance charges for the initial term of the loan fund. The estimated total reserve is for informational purposes. The vendor will be paid for actual hours spent and will not be capped at the estimated reserve.

11. **Exhibit B, Section “Interest Rate”** is revised as follows: In the first 12 months of the microloan term, interest will accrue but payments will be deferred during this period and added to the loan principal to amortize over the loan term.

### **NEW CONDITIONS**

1. For the first nine (9) months of the program, there may be a maximum of 6 loans or \$150,000 total loan amounts funded in each JEDI Zone. After 9 months, this cap will be revisited by LADF, EWDD, and the vendor.
2. It is expected that the selected vendor and LADF will open a joint bank account. The selected vendor and LADF will agree on underwriting parameters and loan terms within which the selected vendor may close and fund loans. Any proposed loans deviating from these parameters and terms must be presented to LADF for consideration prior to funding.

Monthly, the selected vendor will provide a report to LADF on fund performance. At a minimum, this report will include a list of loans closed that month, loan commitments, amounts funded, intended use of funds, business types, locations, number of employees, and any delinquencies.

3. After the first six (6) months of operations, the selected vendor will present the fund outcomes to date to LADF's Board of Directors. This attendance may be virtual upon request.

# Request for Proposal #006 [Revised]

~~October 12, 2023~~

July 29, 2024

## **INTRODUCTION/BACKGROUND**

The Los Angeles Development Fund (LADF) is a California nonprofit corporation (Corporation) created by the City of Los Angeles to apply for and administer the City's New Markets Tax Credits (NMTC) program. The LADF is a certified Community Development Entity (CDE), which has received \$360 million in NMTC allocations since its founding in 2007, including a \$50 million award in the most recent, 2022 round. The controlling entity of the LADF is the City of Los Angeles. The LADF uses its tax credit allocation to generate investment capital which is used to provide flexible financing to eligible borrowers to build economic development projects in low-income communities throughout the City of Los Angeles. The LADF's investment decisions are made by a five-member Governing Board after consultation with the LADF's 11-member Advisory Board. The LADF's Governing Board is composed of City officials who serve ex-officio.

In February 2009, the City Council authorized the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) to act as the management agent for the LADF. In this capacity, the CRA/LA provided administrative and management services to the LADF and oversaw all aspects of the NMTC program until February 2013. Since the expiration of the management services agreement with CRA/LA in February 2013, LADF has relocated its operations to the offices of the City of Los Angeles **Economic and Workforce Development Department (EWDD)**, where LADF operates independently and self-manages its NMTC allocation.

The LADF Governing Board wishes to take a proactive and strategic approach to creating economic development opportunities with its NMTC investments. As a supporting entity of the City of Los Angeles, LADF is committed to supporting the City's goals of job creation, economic equality, and revenue generation by participating in City initiatives.

The LADF has recently approved the launch of a new microloan program aimed at assisting small businesses located in City-established JEDI Zones. To facilitate this initiative, the LADF is seeking the services of a qualified vendor to assist with ~~outreach~~, underwriting, closing, servicing, and reporting for this loan program, **as well as providing borrowers with technical assistance (please note that TA fees are to be paid directly by LADF, separately)**. These services should align with the provisions outlined in Exhibit A (Scope of Work) in this Request for Proposal.

## **PROPOSAL REQUIREMENTS & INSTRUCTIONS**

### **1. TECHNICAL REQUIREMENTS**

#### **1.1. Scope of Work**

The scope of services required is described in detail in the Statement of Work, attached hereto as Exhibit A.

#### **1.2. Schedule of Performance**

Services of the consultant(s) are expected to commence ~~in~~ **on January 1, 2024** and continue through **January-December 31, 2030**.

## 2. PROPOSAL INSTRUCTIONS & CONTENT

### 2.1. Proposal Format

2.1.1. The LADF desires succinct proposals addressing the specific information requested herein. All proposals shall be in the format described herein. In order to ensure that each proposal is reviewed and evaluated properly, it is important that each proposal follows the format with care. The proposal shall address all requirements in this RFP.

2.1.2. Statements shall be organized in the order presented in **Section 2.5** and shall have tabs keyed to the requirements outlined in this section. Proposals shall be a straightforward delineation of the Respondent's capability to satisfy the intent and requirements of this RFP and shall not contain redundancies and conflicting statements.

2.1.3. All proprietary information shall be identified as such by the respondent. (Refer to **Section 4.2**, Restriction on the Disclosure of Data)

2.1.4. Submittals. The LADF prefers that proposals be submitted by email to:

Attention: Sandra Rahimi  
[Sandra.Rahimi@lacity.org](mailto:Sandra.Rahimi@lacity.org)

Hard copy submittals are not required, but may be delivered to:

**Los Angeles Development Fund**  
444 S Flower Street, 14th Floor  
Los Angeles, CA 90071  
Attention: Sandra Rahimi

2.1.5. **Electronic submittals acceptable up to a total of 25 MB total per submission. Hard copy submittals are not required but shall be accepted 24 hours after the deadline so long as the electronic submittal is on time.**

2.1.6. On-Time Delivery. It is the sole responsibility of the firm submitting the proposal to see that it is delivered on time. Any proposal submitted after **Friday, September 20, 2024, 5:00 PM PST** may be rejected. The firm is entirely responsible for the means of delivering the proposal to the appropriate location on time.

2.1.7. Erasures. The proposal submitted must not contain erasures, interlineations, or other corrections unless each correction is authenticated by signing in the margin, immediately opposite the correction, by the person signing the proposal.

2.1.8. Signature. The proposal must be signed in the name of the firm and must bear the signature of the person authorized to sign proposals on behalf of the firm.

### 2.2. Completion of Proposals

Proposals shall be completed in all respects as required by the instructions herein. A proposal may be rejected if it is conditional or incomplete, or if it contains alterations of form or other irregularities of any kind. A proposal will be rejected if, in the opinion of the LADF, the information contained therein was intended to erroneously and

fallaciously mislead the LADF in the evaluation of the proposal.

### 2.3. Examination of Contract Documents

2.3.1. Firms shall thoroughly examine the contents of this RFP. The failure or omission of any firm to receive or examine any contract document, form, instrument, addendum, or other document shall in no way relieve the firm from obligations with respect to this RFP or to the contract to be awarded. The submission of a proposal shall be taken as prima facie evidence of compliance with this section.

2.3.2. If the firm discovers any ambiguity, conflict, discrepancy, omission or other errors on the RFP, the firm shall immediately notify the LADF of the error in writing and request modification or clarification of the document. Clarifications shall be given by written notice to all firms participating in the RFP, without divulging the source of the request for same. Modifications shall be made by addendum issued pursuant to **Section 4.1**.

2.3.3. If a firm fails to notify the LADF of an error in the RFP before the date scheduled for submission of proposals, or of an error, which reasonably should have been known to the firm, the firm shall submit the proposal at its own risk. If the contract is awarded to the firm, the firm shall not be entitled to additional compensation or time by reason of the error or its subsequent correction.

### 2.4. Questions, Inquiries and Clarifications

2.4.1. Contact Individuals. All requests for information or questions in connection with this RFP shall be addressed to the individual named below:

Sandra Rahimi  
[Sandra.Rahimi@lacity.org](mailto:Sandra.Rahimi@lacity.org)  
(213) 808-8959

2.4.2. LADF Responses. All responses to questions, inquiries or clarifications will be issued in writing via email by the designated contact from LADF. Firms shall be solely responsible for checking their email for any and all responses to questions and/or inquiries. **THE LADF WILL NOT MAIL ANY RESPONSES TO QUESTIONS, INQUIRIES OR CLARIFICATIONS.** Oral statements regarding this RFP by any persons should be considered unverified information unless received in a written email format. To ensure a response, questions, inquiries or clarifications must be received in writing via email by **Friday, August 30, 2024, 5:00 PM PST**.

### 2.5. Proposal Content

2.5.1. Technical Proposal. The Technical Proposal shall include the following:

2.5.1(a) Cover Letter. Two (2) single-spaced pages maximum, signed by a principal or authorized officer of the proposing firm, summarizing the major points contained in the proposal, and providing the name, address and telephone number of the key contact person.

2.5.1(b) Firm Description. A brief summary description of your firm, including its principal line of business, the year founded, form of organization (corporation, partnership, sole proprietorship, etc.), number and location of offices, and name, title,

and telephone number of your firm's representative.

**2.5.1(c)** Identification of Principal and/or Project Team. Identify the firm's principal and contact person responsible for performing services for this project and which office they work from. Also identify a list of the key personnel who will be providing the services required in this RFP, including job title/classification of each. Identify the role of each key personnel and include professional resumes of each. The minimum information to be included in the resumes shall include the person's education, showing related certificates, degrees, schools and dates; work experience, showing previous employers, job titles and functions by calendar date (month/year) and by duration in months and years; and other information as relevant to the specific assignment.

**2.5.1(d)** Subcontractors / Sub-consultants. Identify any sub-consultants your firm will employ on this project and describe the scope of services each will perform. Include the company name, address, contact person, telephone number and description of services to be provided by each company as well as professional resumes for key personnel at the subcontractor. The minimum information to be included in the resumes shall include the person's education, showing related certificates, degrees, schools and dates; work experience, showing previous employers, job titles and functions by calendar date (month/year) and by duration in months and years; and other information as relevant to the specific assignment.

**2.5.1(e)** Comparable Experience. Identify and describe other projects your firm has completed which are comparable to the services described in this RFP.

**2.5.1(f)** References. List at least three (3) references of companies or persons who have utilized your firm's services and who have direct knowledge of your firm's experience and work. References should include client name and address, description or nature of services provided, and a contact name with his or her email address and telephone number. It is preferable that the contact be an individual who has direct experience with your firm. Additionally, please include a list of any other public sector clients for whom your firm has provided similar services. The LADF, at its discretion, may contact these references for further inquiry in its assessment of your firm.

**2.5.1(g)** Process. Describe your firm's proposed methodology/approach in providing the services described herein.

**2.5.1(h)** Current Workload. Include a brief description of other public agencies or private sector clients with which your firm is currently involved in performing similar services required herein. Address the availability of your staff to provide services in a timely manner.

**2.5.1(i)** Particular/Unique Qualifications. Describe why your firm is particularly qualified to provide services required herein.

**2.5.1(j)** Conflicts of Interest. Describe any existing or potential conflicts of interest or any other problems that exist or may arise in performing the services described in this RFP.

**2.5.2.** Cost Proposal. The Cost Proposal shall include the following:

**2.5.2(a)** Please provide a list of job classifications and their fully burdened costs, which should encompass one-time charges or a percentage of the loan amount,

reflecting the comprehensive financial scope of ~~outreach costs~~, origination fees, underwriting fees, loan processing fees, ~~and loan servicing fees~~, and technical assistance fees (including hourly rate for technical services).

2.5.2(b) Estimated cost per loan including job classification and cost proposed per loan.

2.5.2(c) Detailed reimbursable costs for the preparation or execution of the services described in this RFP, if any.

2.5.2(d) Operational projections for a six-year period, on an annual or quarterly basis, providing anticipated cash flows including, but not limited to, total projected loan amounts funded and repaid, interest income, fees paid by the microloan fund, and technical assistance fees paid by LADF. Please remember that a 1.0% charge will be incorporated into the interest rate for LADF's fee.

2.5.3. Appendix. The Appendix shall include responses to all Attachments listed in **Section 6**.

## 2.6. Standard Terms and Conditions

2.6.1. Compliance with LADF's Standard Terms and Conditions. The firm shall be required to comply with the LADF's Standard Terms and Conditions. LADF's Standard Terms and Conditions are attached as **Attachment 1**. All provisions of the LADF's Standard Terms and Conditions shall be incorporated into the final contract, which may result from this solicitation.

2.6.2 Affirmative Statement of Review of Standard Terms and Conditions. Please prepare and complete an Affirmative Statement of Review of Standard Terms and Conditions. Please include a statement in your response similar to the following:

"We \_\_\_\_\_ (enter the name of your firm) have reviewed the LADF's Standard Terms and Conditions as specified in this LADF – RFP #006, and accept the provisions as outlined therein."

Please provide a detailed explanation in your response for any and all exceptions and/or deviations to the LADF's Standard Terms and Conditions.

## 2.7. Period for Acceptance of Offer

In compliance with this RFP, the firm agrees to perform the services as required herein at the prices and costs offered if its offer (i.e. its Technical and Cost Proposals) is accepted by the LADF within 180 days from the due date of proposals.

# 3. EVALUATION AND SELECTION PROCESS

## 3.1. Qualifications Required

3.1.1. Demonstrated track record of successfully managing micro-loan underwriting, encompassing tasks such as marketing the program, identifying candidates, assessing borrower creditworthiness, making precise loan eligibility determinations, and establishing a reputation as a leading authority in the field.

- 3.1.2. Demonstrated history of loan underwriting experience and expertise in risk assessment.
- 3.1.3. Experience in maintaining records for regulatory compliance and generating monthly, quarterly, and semiannual reports.
- 3.1.4. Experience in working with government, nonprofit organizations, and small businesses.
- 3.1.5. Familiarity with the City of Los Angeles, especially City departments and City initiatives, and the City's relationships with county, state and federal government.

### 3.2. LADF Evaluation Criteria.

3.2.1. The LADF will evaluate all proposals received in response to this RFP based on the following criteria:

3.2.1(a) Qualifications, skills, education, and experience of the firm and the personnel who would be assigned to perform the services required herein.

3.2.1(b) Documented past performance in terms of quality of services, product, timeliness, responsiveness, and completeness.

3.2.1(c) Proposed costs and fees, including overall financial feasibility of cost proposal.

3.2.1(d) Quality of the proposal, including thoroughness, logic, completeness, clarity, and methodology/approach, appropriate level of detail and overall responsiveness.

## 4. GENERAL NOTICES

### 4.1. Amendments to the RFP

4.1.1. Written Amendments. Any modifications to this solicitation shall be effected in writing and issued as an RFP Amendment Addendum by the LADF. If this solicitation is amended, then all terms and conditions that are not modified remain unchanged. Firms will have sole responsibility for checking their email or the LADF website for any RFP Amendment Addenda. THE LADF WILL NOT MAIL RFP AMENDMENT ADDENDA.

4.1.2. Acknowledgement of Receipt. All interested firms shall acknowledge receipt of any amendment to this solicitation by including a statement in its proposal that it has received the amendment and identifying the amendment number, if any.

### 4.2. Restriction on Disclosure of Data

Non-Disclosure Markings and Restrictive Legends. Prospective firms which include data or information in their proposals that they do not want disclosed to the public for any purpose or used by the LADF except for evaluation purposes, shall:

4.2.1. Mark the title page with the following legend: "This proposal includes data

that shall not be disclosed outside the LADF and shall not be duplicated, used, or disclosed – in whole or part – for any purpose other than to evaluate this proposal, subject to the California Public Records Act. If, however, a contract is awarded to this prospective firm as a result of, or in connection with, the submission of this data, the LADF shall have the right to duplicate, use or disclose the data to the extent provided in the resulting contract. This restriction does not limit the LADF's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets (insert numbers or other identification of sheets)".

4.2.2. Mark each sheet of data it wishes to restrict with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal."

#### 4.3. Proposal Preparation Expenses

Liability for Expenses. The LADF will not, in any event, be liable for any pre-contractual and proposal preparation expenses incurred by the prospective firm. The prospective firm shall not include any such expenses as a part of the price proposed in response to this RFP.

#### 4.4. Rejection of Proposals

Issuance of this RFP and receipt of proposals does not commit the LADF to enter into any contract. The LADF reserves the right to postpone opening of proposals for its own convenience, and to accept or reject any and all proposals received if such actions are in the LADF's interest.

#### 4.5. Right to Negotiate

The LADF reserves the right to negotiate with firms other than the selected firm should negotiations with the selected firm be terminated. Moreover, the LADF reserves the right to negotiate the terms and conditions of the final contract with more than one firm simultaneously, or to cancel all or part of this solicitation, when it is in the LADF's interest to do so.

#### 4.6. Evaluation

Proposals will be evaluated strictly on the content provided by the respondent. The Cost Proposal will impact the overall decision, but it will not be the only factor taken into consideration. The perceived quality and ability to deliver proposed services are also critical to the evaluation.

### 5. EXHIBITS

5.1. Scope of Work (Exhibit A)

5.2. LADF JEDI Microloan Program Proposed Term Sheet (Exhibit B)

### 6. ATTACHMENTS

The following documents and forms listed are to be provided in separate electronic files and are incorporated as attachments to this RFP. Please review each document and provide responses

to LADF as instructed below:

- 6.1. LADF Standard Terms and Conditions (Attachment 1) – pursuant to **Section 2.6**, prepare and complete an Affirmative Statement of Review of Standard and Additional Terms and Conditions and include in the Appendix of the “Original” submission packet
- 6.2. LADF Business Profile Form (Attachment 2) – complete for the prime (lead) contractor and for each proposed sub-contractor (*if applicable*) and include in the Appendix of the “Original” submission packet
- 6.3. Responsibility Questionnaire (Attachment 3) – complete and include in the Appendix of the “Original” submission packet
- 6.4. Equal Benefits Ordinance Compliance Form (Attachment 4) - complete and include in the Appendix of the “Original” submission packet
- 6.5. Living Wage Ordinance Compliance Form (Attachment 5) - complete and include in the Appendix of the “Original” submission packet
- 6.6. Non-Profit/One Person Contractor Exemption from Living Wage Form (Attachment 6) – complete, *if applicable*, and include in the Appendix of the “Original” submission packet
- 6.7. LWO/SCWRO Subcontractor Compliance Form (Attachment 7) – complete for each sub- consultant (*if applicable*) and include in the Appendix