



Empire State Development Global NY Loan Program Request for Qualifications (RFQ)

Background

Empire State Development (“ESD”) is responsible for administering the Global NY Loan Fund, a \$25 million program targeted to New York State-based small and medium-size businesses who seek to create or expand direct exports or to serve as suppliers to larger exporters. The fund is being developed to fill an important financing gap for small businesses that have been unable to secure export financing from traditional financial institutions due to the smaller size of the loan, risk associated with the export country or buyer and/or limited export experience or credit history of the small business itself.

Through this program, ESD will extend loan loss reserve credit enhancement to several banks, CDFIs and/or community-based lenders with small business financing experience, leveraging tens of millions in total small business lending. Lending to this under-served market will enable New York State small businesses to finance the costs associated with expanding their export or supplier capacity, enabling them to more effectively deliver on contracts, offer new products, and enter new markets. Loans can be in the form of working capital or machinery/equipment term loans, lines of credit, or receivables financing

Purpose

The purpose of this solicitation is to identify small business lenders with demonstrable experience in making loans and/or extending lines of credit to small businesses. A preference will be extended to lenders with specific experience serving small businesses that may otherwise have difficulty securing financing from traditional sources, enabling the small business to produce the product or service (or the component they supply) to be exported, or to finance an export transaction.

Financing Program

ESD will allocate to several lenders up to a total of up to \$25 million over a period not to exceed seven years (subject to availability of funds) in the form of a 10% loan loss reserve credit enhancement. The credit enhancement to be provided to each participating lender will be for 10% of their eligible lending, up to a maximum referenced in its contract based on the lender’s projected lending volume.

Assuming the lender meets its annual lending projections, the lender may keep all credit enhancement funds and continue to reuse them as credit enhancement for eligible small business export loans, or convert them to export loan capital. This deployment of loan capital, as well as the performance of the

eligible small business loans through this program, will play a role in subsequent credit enhancement allocations (subject to availability). ESD, in its sole discretion, may reduce the credit enhancement available to lenders if the lender's level of eligible small business lending falls short of what's projected in order to draw down the full credit enhancement, or for any other reason.

The ESD-funded loan loss reserve credit enhancement will be provided in three equal installments (each an "Advance") of the total credit enhancement provided to that specific lender. ESD may elect to cover a portion of selected lenders' administrative and marketing costs associated with originating, underwriting and servicing small business lending through this program.

Financial assistance from participating lenders to eligible small businesses will be in the form of a line of credit, term loan or receivables financing, with the maximum cumulative financing to any individual business of \$500,000.

Small Business Eligibility

To be eligible for financing through this program, small businesses must:

- Be located in New York State
- Not be dominant in its field as defined by the U.S. Small Business Administration
- Before closing on its loan, provide a brief narrative referencing how the financing will help them increase direct exports, fulfill export supplier contracts, create jobs and/or generate increased revenue from foreign sales, and
- Provide any other items as ESD may require

Lending will be made available to New York State-based exporters as well as suppliers to exporters. This is defined as 51% of the value of finished product or service originating in New York State, the calculation of which includes the value of the raw materials and component parts, manufacturing process, advertising and promotion, distribution, warehousing, and designs and other intellectual property. A small business can alternately meet this definition if they are certified as a local producer through a regional Chamber of Commerce or Economic Development Agency (e.g. *Made in NY*).

Small businesses must demonstrate foreign sales, or pending foreign contracts or supplier contracts to a large exporter. The threshold to meet this definition, subject to change, is one year of exporting experience (or as a supplier to exporters), or has been in operation for at least 12 full months and can demonstrate that the financing will support its export activity.

Lender Required Information & Criteria for Selection

Please provide the following information in the same order in which it is requested in 12 point type with standard margins printed on one-sided 8½ X 11 inch pages, either bound or contained in a binder. Review will address cohesiveness, clarity of response and demonstrated understanding of small business financing needs. Narrative responses for each must address:

1. The lender's relevant experience originating and servicing affordable small business financing products/services (maximum of three pages)
2. Qualifications and experience of the staff proposed to be assigned, (maximum of three pages plus resumes of the staff members referenced); and
3. Lender capacity and ability to deploy loan capital for such small business' lending activities, including plans for marketing the financial products to prospective clients (maximum of three

pages, plus copies of the most recent audited financial statements, interim financial statement, balance sheet and budget)

4. The proposed format and terms of the financing products to be offered, as well as the projected number of loans/amount of capital per year (and how it compares to present export financing volume), and reference to one or more regions of New York State the lender proposes to serve along with its experience working in the region and a list of all physical locations in the targeted communities, if relevant (maximum of three pages)

The lender's marketing/promotion materials and links to its website may also be submitted. Note that ESD reserves the right, at its sole discretion, to review, add or remove lenders from the program. Further, selected lenders will be required to complete and submit a report on a semi-annual basis (or more frequently if ESD so designates) in a format ESD shall provide that reflects the export lending volume and performance, country the client is exporting to and any other data points ESD may request.

ESD seeks qualifications from lenders, large and small, and is committed to selecting a diverse group of qualified lenders to serve New York State's small business community.

Questions

All substantive questions must be sent by email to Andrew Flamm at GlobalNYRFQ@esd.ny.gov by July 20, 2015. Responses to all questions of a substantive nature relating to this RFQ will be provided in writing, via ESD's website (<http://esd.ny.gov/CorporateInformation/RFPs.html>). In addition, any changes, additions or deletions to this RFQ will also be posted on ESD's website, along with the electronic version of this RFQ. Respondents should note that any necessary clarification must be sought by the deadline for questions set forth in the "Key Events/Dates" section of this RFQ. Respondents are urged to check ESD's web site frequently for notices of any clarification of or changes, additions or deletions to the RFQ.

OTHER THAN THE CONTACT PERSON IDENTIFIED ABOVE, PROSPECTIVE RESPONDENTS SHALL NOT APPROACH ESD'S EMPLOYEES DURING THE RESTRICTED PERIOD OF THIS RFQ PROCESS ABOUT ANY MATTERS RELATED TO THIS RFQ OR ANY QUALIFICATIONS SUBMITTED PURSUANT THERETO.

Submission of Proposals

Responses must be received by July 31, 2015 at 4pm.

Send to:

Edgar Camacho, Procurement Unit
Empire State Development
633 Third Avenue
35th Floor
New York, NY 10017

RFQ Title: "Empire State Development Global NY Loan Program Request for Qualifications (RFQ)"

The submission must include five (5) hard copies of the proposals containing the information required by this RFQ, and one (1) additional electronic copy (disk or flash drive).

Schedule of Dates

Issuance of RFQ:

Questions/Comments Due Date: July 20, 2015

ESD's Responses to Questions: July 27, 2015

RFQ Response Due Date: 4:00 pm, July 31, 2015

Notification of Selection: TBD

General Provisions

The issuance of this RFQ and the submission of a response by a firm or the acceptance of such a response by ESD does not obligate ESD in any manner. ESD reserves the right to:

1. amend, modify or withdraw this RFQ;
2. revise any requirement of this RFQ;
3. require supplemental statements or information from any responsible party;
4. accept or reject any or all responses hereto;
5. extend the deadline for submission of responses hereto;
6. negotiate potential contract terms with any respondent to this RFQ;
7. discussions with any respondent to this RFQ to correct and/or clarify responses which do not conform to the instructions contained herein;
8. cancel, or reissue in whole or in part, this RFQ, if ESD determines in its sole discretion that it is its best interest to do so; and
9. extend the term of any agreement on terms consistent with this RFQ.

ESD may exercise the foregoing rights at any time without notice and without liability to any responding firm or any other party for its expenses incurred in preparation of responses hereto or otherwise. All costs associated with responding to this RFQ will be at the sole cost and expense of the responding firm.

All information submitted in response to this RFQ is subject to the Freedom of Information Law (FOIL), which generally mandates the disclosure of documents in the possession of ESD upon the request of any person unless the content of the document falls under a specific exemption to disclosure. In addition, all Proposals may be discussed at meetings of the ESD Directors, which meetings are subject to the Open Meetings Law.

Procurement Forms and Requirements

Additional requirements for this RFQ are described below. Relevant forms, where required to be submitted, must be executed and included in the submission in the same order as listed below:

1. State Finance Law §§139-j and 139-k forms
2. Vendor Responsibility Questionnaire
3. Iran Divestment Act Statement
4. Non-Discrimination and Contractor & Supplier Diversity Requirements
5. Encouraging the Use of NYS Businesses in Contract Performance Form
6. Certification under State Tax Law Section 5-a
7. Schedule A (for review only—no separate form requirement)
8. Project Sunlight (for review only—no separate form requirement)
9. Insurance Requirements

- 1. State Finance Law Sections 139-j and 139-k forms**

State Finance Law Sections 139-j and 139-k (collectively, the “Procurement Requirements”) apply to this RFQ. These Procurement Requirements: (1) govern permissible communications between potential respondents and ESD or other involved governmental entities with respect to this RFQ; (2) provide for increased disclosure in the public procurement process through identification of persons or organizations whose function is to influence procurement contracts, public works agreements and real property transactions; and (3) establish sanctions for knowing and willful violations of the provisions of the Procurement Requirements, including disqualification from eligibility for an award of any contract pursuant to this RFQ. Compliance with the Procurement Requirements requires that all communications regarding this RFQ, from the time of its issuance through final award and execution of any resulting contract (the “Restricted Period”), be conducted only with the designated contact persons listed below; the completion by Respondents of the Offerer Disclosure of Prior Non-Responsibility Determinations, and the Offerer’s Affirmation of Understanding and Agreement pursuant to State Finance Law (each form is accessible at the Required Forms for Vendors link at the ESDC web site under “RFPs/RFQs”); and periodic updating of such forms during the term of any contract resulting from this RFQ.

Respondents must submit the Offerer Disclosure of Prior Non-Responsibility Determinations, and the Offerer’s Affirmation of Understanding and Agreement pursuant to State Finance Law as part of their submittal. Copies of these forms are available at:

http://www.empire.state.ny.us/CorporateInformation/Data/RFPs/RequiredForms/SF_Law139_JK.pdf.

The Procurement Requirements also require ESD staff to obtain and report certain information when contacted by prospective respondents during the Restricted Period, make a determination of the responsibility of Respondents and make all such information publicly available in accordance with applicable law. If a prospective respondent is found to have knowingly and willfully violated the State Finance Law provisions, that prospective respondent and its subsidiaries, related or successor entities will be determined to be a non-responsible Respondent and will not be awarded any contract issued pursuant to this solicitation. In addition, two such findings of non-responsibility within a four-year period can result in debarment from obtaining any New York State governmental procurement contract. The designated contact account for this solicitation is Andrew Flamm at GlobalNYRFQ@esd.ny.gov.

This is not a complete presentation of the provisions of the Procurement Requirements. A copy of State Finance Law Sections 139-j and 139-k can be found at: <http://esd.ny.gov/CorporateInformation/RFPs.html> (under “ESDC Policy Regarding Permissible Contacts under SFL 139”).

All potential Respondents are solely responsible for full compliance with the Procurement Requirements. Both the prime consultant and any sub-consultants complete the forms required above.

2. Vendor Responsibility Questionnaire

All Respondents to this RFP must be “responsible,” which in this context means that they must have the requisite financial ability, organizational capacity and legal authority to carry out its obligations under this RFP, and in addition must demonstrate that both the Respondent and its principals have and will maintain the level of integrity needed to contract with New York State entities such as ESD. Further, the Respondent must show satisfactory performance of all prior government contracts. Accordingly, the contract to be entered into between ESD and the Respondent, if any, shall include clauses providing that the Respondent remain “responsible” throughout the term of the contract, that ESD may suspend the contract if information is discovered that calls into question the responsibility of the contracting party,

and that ESD may terminate the contract based on a determination that the contracting party is non-responsible. On request, model language to this effect will be provided to any Respondent to this RFQ.

To assist in the determination of responsibility, ESD requires that all respondents to this RFQ register in the State's Vendor Responsibility System ("Vend-Rep System"). The Vend-Rep System allows business entities to enter and maintain their Vendor Responsibility Questionnaire information in a secure, centralized database. New York State Procurement Law requires that state agencies award contracts only to responsible vendors. Respondents are to file the required Vendor Responsibility Questionnaire online via the Vend-Rep System or may choose to complete and submit a paper questionnaire. Please include a copy of your Vend-Rep submission receipt or paper questionnaire with your proposal.

To enroll in and use the Vend-Rep System, see the System Instructions available at www.osc.state.ny.us/vendrep or go directly to the Vend-Rep system online at <https://portal.osc.state.ny.us>. For direct Vend-Rep System user assistance, the Office of the State Comptroller's Help Desk may be reached at 866-370-4672 or 518-408-4672 or by email at helpdesk@osc.state.ny.us.

Respondents opting to file a paper questionnaire can obtain the appropriate questionnaire from the Vend-Rep website (http://www.osc.state.ny.us/vendrep/forms_vendor.htm) and execute accordingly pertaining to the company's trade industry. Per the website, respondents are to "Select the questionnaire which best matches the business type (either For-Profit or Not-For-Profit) and business activity (Construction or Other)."

3. Iran Divestment Act

Every Proposal made to ESD pursuant to a competitive solicitation must contain the following statement, signed by the Respondent on company letterhead and affirmed as true under penalty of perjury:

"By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to paragraph (b) of subdivision 3 of section 165-a of the State Finance Law."

The list in question is maintained by the Office of General Services. No Response that fails to certify compliance with this requirement may be accepted as responsive.

4. Non-Discrimination and Contractor & Supplier Diversity Requirements

Participating lenders shall adhere to ESD's Non-discrimination & Contractor and Supplier Diversity policy. Where applicable, ESD may require lenders and other beneficiaries of the program to provide Equal Employment Opportunity (EEO) data in accordance with New York State regulations.

Additional information regarding the EEO requirements may be obtained through the ESD's Office of Contractor and Supplier Diversity at OCSD@ESD.NY.GOV.

5. Encouraging the Use of NYS Businesses in Contract Performance Form

New York State businesses have a substantial presence in State contracts and strongly contribute to the economies of the state and the nation. In recognition of their economic activity and leadership in doing

business in New York State, bidders/proposers for this ESD contract for commodities, services or technology are strongly encouraged and expected to consider New York State businesses in the fulfillment of the requirements of the contract. In order for ESD to assess the use of New York State businesses in each Proposal, ESD requests that each Respondent complete the Encouraging Use of New York State Businesses in Contract Performance form, accessible here:

<http://esd.ny.gov/CorporateInformation/Data/ENCOURAGINGUSEOFNEWYORKSTATEBUSINESSESINCONTRACTPERFORMANCE.pdf>.

6. Certification under State Tax Law Section 5-a

Any contract resulting from this solicitation is also subject to the requirements of State Tax Law Section 5-a ("STL 5-a"). STL 5-a prohibits ESD from approving any such contract with any entity if that entity or any of its affiliates, subcontractors or affiliates of any subcontractor makes sales within New York State of tangible personal property or taxable services having a value over \$300,000 and is not registered for sales and compensating use tax purposes. To comply with STL 5-a, all Respondents to this solicitation must include in their Proposals a properly completed Form ST-220-CA, or an affidavit that the Respondent is not required to be registered with the State Department of Taxation and Finance. A copy of the ST-220-CA form and affidavit is accessible at the Required Forms for Vendors link at the ESD web site: <http://esd.ny.gov/CorporateInformation/RFPs.html>

Also in accordance with the requirements of STL 5-a, any contract resulting from this solicitation will require periodic updating of the certifications contained in Form ST-220-CA. Solicitation responses that do not include a properly completed ST-220-CA will be considered incomplete and non-responsive and will not be considered for contract award. Only the prime consultant completes Form ST 220-CA, but Schedule A to Form ST 220-CA requires detailed information from the sub-consultants, such as tax ID number, etc., if applicable. Moreover, if applicable, certificates of authority must be attached by the prime consultant and all the sub-consultants.

7. Schedule A

Following final selection of a Respondent, ESD will prepare a contract defining all project terms and conditions and the Respondent's responsibilities in conformance with "Schedule A," which can be found at:

http://esd.ny.gov/CorporateInformation/Data/ScheduleA_ConditionsApplicabletoCorporationAgreementsForMaterialServices_RevisedAug2014.pdf

Please note Respondents do not need to complete the entire Schedule A with the submission of their Proposal. However, Respondents should still review these terms, which are standard in all ESD contracts, and raise any concerns present prior to submission of their Proposal, as Respondents will need to accept these terms prior to contract execution.

8. Project Sunlight

This procurement is subject to the Public Integrity Reform Act of 2011. Under the Public Integrity Reform Act of 2011, "appearances" (broadly defined and including any substantive interaction that is meant to have an impact on the decision-making process of a state entity) before a public benefit corporation such as ESD by a person (also broadly defined) for the purposes of procuring a state contract for real property (as contemplated in this RFP) must be reported by ESD to a database maintained by the State Office of General Services that is available to members of the public. If in doubt

as to the applicability of Project Sunlight, Respondents and their advisors should consult the Laws of 2011, Ch. 399 for guidance.

9. Insurance Requirements

The prospective Consultant will be expected to show evidence of the following insurance requirements, (at a minimum and to the extent applicable) as listed below:

- Commercial General Liability insurance - \$1 million per occurrence / \$2 million aggregate
 - o The NYS Urban Development Corporation (d/b/a Empire State Development) must be named as an “additional insured” on a primary and non-contributory basis on the policy
 - o The policy above should include a waiver of subrogation in favor of the NYS Urban Development Corporation (d/b/a Empire State Development)