

## **Request for Qualifications – City of Seattle Small Business Capital Readiness Assistance**

We are excited to invite your organization to participate in the Small Business Capital Readiness Support Program through a Request for Qualifications (RFQ) process. This partnership aims to empower businesses with financial literacy and facilitate their access to funding opportunities. We will partner with community-based organizations that propose innovative approaches to address the challenges faced by small business owners from unserved and underserved communities, to access affordable financing to grow their business. Through the RFQ process, we will identify partners and develop tailored strategies. Selected partners will work with the Office of Economic Development (OED) as a cohort to develop and implement strategies and share learning to address system gaps and barriers.

As an organization committed to fostering economic growth and sustainability, the City of Seattle's Office of Economic Development (OED) recognizes the critical role that financial education and appropriate funding play in the success of businesses. There will be new upcoming capital program options for Seattle businesses, and, with this RFQ, we are looking for new ideas and service approaches to assist businesses to be more capital ready.

### **Program Overview**

Access to Capital is a major challenge for small business owners, limiting their growth and ability to pull financial resources together to support their business needs. It is further deepened among business owners from black, indigenous, and people of color (BIPOC); women, immigrants, and other underserved communities making it harder to start and scale businesses owned by people of color. Issues such as generational wealth gaps, lack of information, and systemic discrimination have limited equitable access to affordable capital. Historically, certain communities of color were excluded from access to capital due to the limited availability of culturally responsive financing products and other alternative sources of financing.

OED's Small Business Capital Readiness Assistance will work with community partners to lower the barriers to accessing affordable capital for underserved small businesses. Partners will also help small businesses understand the types of capital they need and qualify for, and the role of financing for their business' sustainability and growth. OED's goal is to empower businesses to confidently explore opportunities for financing. This includes establishing a strong foundation of financial tools, preparing for current and future capital needs of their business, and building or re-establishing trust with financial institutions.

Under this program, OED will be working directly with service providers as a cohort to develop and implement their program solutions to addressing the barriers and challenges faced by underserved small business owners. A key measure of the service provider(s) success is the business' ability to secure financing.<sup>1</sup>

Once contracted, service providers will work with OED and other partners to finalize program strategies and work directly with business owners per their proposed plan of action to complete their outcome-based deliverables.

Program strategies will complement consulting services available through OED's Accounting and Business Consulting and Commercial Affordability Programs.

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<sup>1</sup> Ability to secure financing is described in the scope of work as the indicators of business becoming capital ready.

## Objectives and Scope of Work

OED will partner with experienced and effective service providers to provide comprehensive capital readiness assistance to businesses. For this partnership, OED requests service providers design innovative programs, in collaboration with lending partners, based on their prior experience, qualifications, expertise, relationships, and understanding of Seattle's Small Business ecosystem. Organizations will work in partnership with OED as a cohort to develop and implement strategies and share learning to address system gaps and barriers.

Our primary objective is to collaborate with service providers who can deliver innovative comprehensive solutions to achieve any or all the following outcomes:

- **Empower businesses with financial literacy:** Create engaging educational programs for businesses, enhancing their understanding of financial tools and strategies.
- **Understand the credit component and finance options:** Help businesses develop a clear understanding of loan terms, interest rates, collateral, and the required documentation to strengthen loan applications.
- **Break down barriers between lenders and borrowers:** Propose innovative strategies to improve connectivity and collaboration for a seamless flow of information and resources between stakeholders.
- **Act as a loan steward:** You will assist businesses in finding suitable financing options, guiding them through the application process and ensuring compliance. You are expected to think from a lender's vantage point while maintaining deep connections with the community; hence able to build trust among businesses that are not comfortable with traditional financial resources. Lenders are expected to provide comprehensive information on available financing options including but not limited to their offerings.
- **Offer culturally responsive services:** Address cultural nuances and provide personalized assistance to businesses from diverse backgrounds; including providing in-language services.
- **Describe the ideal business funding system:** Analyze the current funding landscape, identify challenges, and suggest improvements for a more inclusive and effective ecosystem. Guide businesses to the financial product that is the best fit for their needs and assess the changing needs for business financing which could require loan modification, or a variable payment model like that of revenue-based financing.
- **Ability to support business managing existing debt:** Review impacts of past financial decisions, including taking out high-cost, online loans. On an as needed basis, advise effected businesses on alternative solutions including the refinancing of debt.
- **Support businesses to become capital-ready:** A business should be ready to take on various forms of capital and being considered capital-ready will be attributed to the following outcomes:
  - The Business is registered with the regulating authority in the given geographic area and has met all the obligations. For example, obtaining a City of Seattle business license, being up to date on Business & Occupancy taxes, and other relevant licenses and permits required by the nature of business and/or the industry.
  - The Business is knowledgeable and has a plan for the use of fund proceeds (i.e., how they will strategically invest funds) and understand the impact of debt on their business and personal finances.

- The business is in a position to service additional capital if/when required and has the ability to develop a road map for the injection of additional capital.
- The Business will have updated financial statements including income statement, balance sheet, and cash flow statements (both historical and projected).

### **Program Budget**

The budget for this project will be determined based on your project concept and its unique requirements. Similarly, the project timeline, spanning between 12 to 18 months, will be adjusted to align with the scope of your proposed project.

### **Requirements:**

- Willingness to support OED and other service providers in a collaborative and cohort-based learning environment.
- Service providers will use a template and/or platform (TBD at a later date) to monitor and report on business' progress towards goals.

### **RFQ Requirements**

If your organization would like to be a partner with OED on Seattle's Small Business Capital Readiness Assistance, please submit the following information via [this link](#) by **5pm PT on October 31, 2023**:

1. Organization's background including a list of board members, management team, and overview of current services provided.
2. List the last 5 years of experience providing small business assistance within the city of Seattle; including details on the number of businesses served and time period (for example, 50 businesses in 2021), types or sectors of businesses served and/or stages, ownership demographics, and the type and depth of assistance provided in the last 5 years. (pre, during, and post COVID). Include details of any capital readiness programs including objectives, activities, design, and results. (if available).
3. Relevant experience and approach to working with underrepresented, underserved, displaced business and communities.
4. List of key personnel that will work on this project with attached bios or resumes.
5. Current and potential programming capacity – What is the status of your existing assistance pipeline, staffing levels, and the capacity to take on new clients? Identify needs in order to increase capacity for organization.
6. Specific areas of expertise (i.e., refer to the objectives above).
7. Language capabilities of your team or organization(s) you intend to partner with to deliver services (i.e., demonstrated previous partnerships).
8. Proposed program concept to provide capital readiness assistance services along with an anticipated project timeline and a preliminary estimated budget to fit a 12–18-month period. After selecting service providers, OED will work with organizations to develop the final scope, detailed project plan and budget.
9. The organization's plan to gather information and metrics on the service provided to the businesses and the impact created. Data gathered on outcomes informs OED's future investments towards capital readiness assistance. If the organization already uses a tracking system, please describe.
10. Share any other relevant information that demonstrates the organization's qualifications as a potential partner for capital readiness assistance program.

11. Two references from contracts or other work completed in the last three to five years that are relevant to the services required under this RFQ. For each reference, include the contract's details such as the period of performance and a point of contact. Additionally, examples of the types of references, such as contracts, collaborations, or other relevant work completed are welcome.

## Evaluation

- Degree to which the respondent has demonstrated the requisite skills and experience to provide the needed services.
- Degree to which the respondent’s experience demonstrates strength in cross-cultural communication and working with diverse applicants (i.e., strategic relationships and ties within the community).
- Degree to which respondent has a demonstrated relationship with the community via organizational capacity or identified personnel (i.e., the team working directly with program participants/small businesses).
- Degree to which the respondent has identified personnel that have a successful track record of providing similar services and meeting deliverables.
- Degree to which the available organizational infrastructure currently exists or will exist to provide capital readiness assistance services and the ability to pivot to meet the needs of the economic and political landscape.

## Timeline

The timeline below is tentative and is subject to change:

RFQ Released	Friday, October 6, 2023
Information Session and Office Hours	<ul style="list-style-type: none"> <li>• Info Session: 11 am on October 13<sup>th</sup> and 1 pm on 20<sup>th</sup></li> <li>• Office Hours: 9-11 am on October 13<sup>th</sup>, 9-11am and 2-4 pm on 23rd, and 12-2 pm on 26<sup>th</sup></li> </ul> Please register via this <a href="#">link</a>
Submissions Due	5pm PT on October 31, 2023
Applicant Interviews	Thursday, November 9, – Friday, November 17, 2023
Finalists Selected/Awardees Notified	Week of November 27 <sup>th</sup>
Contracting	December – mid January
Projected Program Launch	January 2024

## Questions?

Please contact Agraj Dangal at [agraj.dangal@seattle.gov](mailto:agraj.dangal@seattle.gov)