



**Solicitation Information
June 18, 2013**

RFP# 7475366

TITLE: RI Commercial Fisheries Revolving Loan Fund

Submission Deadline: July 17, 2013 @ 10:00 AM (Eastern Time)

Questions concerning this solicitation must be received by the Division of Purchases at david.francis@purchasing.ri.gov no later than **June 27, 2013 at 10:00 AM (Eastern Time)**. Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP# on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

SURETY REQUIRED: No

BOND REQUIRED: No

David J. Francis
Interdepartmental Project Manger

Applicants must register on-line at the State Purchasing Website at www.purchasing.ri.gov

Note to Applicants:

Offers received without the entire completed four-page RIVIP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

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SECTION 1: INTRODUCTION

The Rhode Island Department of Administration/Division of Purchases (Division), on behalf of the Rhode Island Department of Environmental Management (RIDEM), is soliciting proposals from qualified financial lending institutions, with branch offices in Rhode Island, to administer short-term loans to eligible commercial fishermen based in Rhode Island. All proposals will be reviewed in accordance with the terms of this Request for Proposals and the State's General Conditions of Purchase, which may be obtained at the Rhode Island Division of Purchases Home Page by Internet at www.purchasing.ri.gov

Institutions whose proposals are accepted will each receive \$300,000, pursuant to a contract with RIDEM, for use in issuing loans and administering the loan program. The initial contract period will begin approximately September 1, 2013 and be subject to annual renewal based on vendor performance and the availability of funds. The loans will be made available to eligible commercial fishermen for the exclusive purpose of leasing shares of groundfish quota on the open market.

This is a Request for Proposals (RFP), not an Invitation for Bid. Responses will be evaluated on the basis of the relative merits of the proposal, in addition to price. There will be no public opening and reading of responses received by the Division pursuant to this RFP, other than to name those offerors who have submitted proposals.

INSTRUCTIONS AND NOTIFICATIONS TO OFFERORS:

1. Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
2. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement will be considered. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive.
3. All costs associated with developing or submitting a proposal in response to this RFP, or providing oral or written clarification of its content shall be borne by the vendor. The State assumes no responsibility for these costs.
4. Proposals are considered to be irrevocable for a period of not less than 120 days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.
5. All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.
6. Proposals misdirected to other state locations, or which are otherwise not present in the Division at the time of opening for any cause will be determined to be late and

will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Division.

7. It is intended that an award pursuant to this RFP will be made to up to three (3) prime vendors, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontracts are permitted, provided that their use is clearly indicated in the vendor's proposal and the subcontractor(s) to be used is/are identified in the proposal.
8. All proposals should include the vendor's FEIN or Social Security number as evidenced by a W9, downloadable from the Division's website at www.purchasing.ri.gov.
9. The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds.
10. Vendors are advised that all materials submitted to the State for consideration in response to this RFP will be considered to be Public Records as defined in Title 38, Chapter 2 of the General Laws of Rhode Island, without exception, and will be released for inspection immediately upon request once an award has been made.
11. Interested parties are instructed to peruse the Division of Purchases website on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP.
12. Equal Employment Opportunity (G.L. 1956 § 28-5.1-1, et seq.) – § 28-5.1-1 Declaration of policy – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies to all areas where State dollars are spent, in employment, public services, grants and financial assistance, and in state licensing and regulation. For further information, contact the Rhode Island Equal Opportunity Office at (401) 222-3090.
13. In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This is a requirement only of the successful vendor(s).
14. The vendor should be aware of the State's Minority Business Enterprise (MBE) requirements, which address the State's goal of ten percent (10%) participation by MBE's in all State procurements. For further information, contact the MBE Administrator at (401) 574-8253 or visit the website www.mbe.ri.gov or contact charles.newton@doa.ri.gov.

SECTION 2: BACKGROUND

Basis for Revolving Loan Fund Program

There are currently 107 RI-based vessels holding federal groundfish permits, and 52 of them are enrolled in one of six groundfish sectors (the remaining 55 fish in the common pool). Sectors are self-selecting and largely self-regulating groups of groundfish permit holders who are able to combine, harvest and/or trade their shares of groundfish. Those shares, in the form of pounds of individual groundfish species, are allocated to each sector annually based on the historical landings of sector members. Because each sector's share, or allocation, of groundfish can be harvested or leased, in whole or in part, on the open market, pounds of groundfish are tradable commodities. Because RI fishermen/sectors need to be able to modify their portfolios to meet their business and operational needs, a short-term loan program is needed to afford RI groundfish fishermen with ready access to capital for use in acquiring quota shares. The RI Commercial Fisheries Revolving Loan Fund Program is intended to meet that need. The program is being launched with a \$1 million federal grant, which will serve as the wherewithal for the loans. Local lending institutions will serve as administrators of the loans and will also be expected to provide small-business planning assistance to the loan recipients. The program is intended to help meet the individual business needs of RI fishermen and thereby help to build and maintain a stable and diversified commercial fishing industry in the state.

Authority to Administer Federal Grant

In January 2013, RIDEM received approval from the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service to utilize a \$1 million federal grant for the purpose of developing a revolving loan fund to provide short-term loans and lines of credit to Rhode Island commercial groundfish fishermen for use in acquiring groundfish quota shares (NOAA Award No. NA10NMF4540198). RIDEM is responsible for administering the grant by contracting with qualified local lending institutions, who will market the loan opportunities and administer the loans to qualified applicants. The grant award period runs through May 14, 2014. This RFP seeks qualified local lending institutions to serve as loan administrators.

Specific Requirements

To be deemed eligible under this RFP, an institution must be a financial lending institution authorized to do business in Rhode Island, in compliance with all federal and state laws and regulations applicable to their lending activities, and whose assets are FDIC, or similarly insured (e.g., NCUSIF). In addition, the institution must operate a commercial lending program, have experience in small-business lending and small-business planning assistance, and have at least one branch office in Rhode Island.

This is a multi-vendor RFP. Recognizing the need to limit the number of lenders based on the limited funding available for the loan program, and further recognizing the need to enable individual vendors to have sufficient funds available to manage their individual lending programs, and further recognizing the relatively limited geographical distribution of

commercial fishermen in Rhode Island, RIDEM anticipates selecting three local lending institutions as vendors. However, RIDEM reserves the right to select less than three or more than three vendors, based on the number and ratings of the proposals submitted. If, as anticipated, multiple lending institutions are selected, RIDEM will not require operational standardization among the institutions; rather, Vendor's proposed Operational Plans will be vetted to ensure consistency with the terms and conditions of the RI Commercial Fisheries Revolving Loan Fund Program (hereinafter, "RLF Program"), as set forth below

SECTION 3: SCOPE OF WORK

General Scope of Work

Local lending institutions will provide short-term loans and small-business planning assistance to commercial fishermen – namely, federally permitted groundfish fishermen based in Rhode Island. Eligible commercial fishermen will be identified and pre-qualified by DEM. The loans will be for the sole purpose of leasing shares of groundfish quota on the open market. All loans will have a duration of one year or less.

To implement the program, each institution will enter into a contract with RIDEM, pursuant to which each institution will receive a transfer of funds from RIDEM, and be obligated to make those funds available to commercial fishermen in the form of short-term loans. If, as anticipated, three lending institutions are selected, each institution will receive \$300,000, at least \$290,000 of which will be for lending purposes, and up to \$10,000 of which will be for start-up administrative costs. Each institution will be obligated, per contract, to meet all of the terms and conditions of the RLF Program, as set forth below.

Specific Activities/Tasks

1. Upon receipt of the grant funds from RIDEM, the Vendors will offer loans to qualified applicants, drawing upon the grant funds as the source of revenue for the loans. The loans are to be made available and used solely for the purpose of leasing quota shares in the New England groundfish fishery.
2. RIDEM will provide technical assistance to the Vendors regarding all aspects of the RLF Program pertaining to fishery-related issues, including but not limited to: maintaining and making available regularly updated lists of eligible loan recipients, and monitoring compliance with the use of quota shares that are leased by fishermen via the loans.
3. The Vendors will be required to exercise their best efforts to ensure that all loans issued through the RLF program are repaid in accordance with the terms and schedule set forth in each individual loan agreement.
4. The Vendors will track all loan activity and report to RIDEM on a quarterly basis.
5. Lending will be limited to loans or lines of credit of one year or less, not to exceed \$50,000. Interest rates charged shall not exceed 7% of the base loan amount.

6. The Vendors may use a portion of the grant funds advanced by RIDEM – not to exceed \$10,000 – to cover the administrative start-up costs of the program. The Vendors may also utilize a portion of interest-generated revenue from the loans to cover their administrative costs. Any remaining interest-generated revenue shall be deposited back into the RLF held by the institution to grow the capital for use in future lending under the program.
7. Lenders may require collateral and must provide details on how they intend to minimize defaults. Lenders will be strongly encouraged to provide business planning to loan recipients based upon their risk profile. Lenders may refinance loans, including adjustments to interest rates and repayment periods, to provide loan recipients with increased flexibility to repay loans.
8. RIDEM reserves the right to impose a cap on the number of times any eligible permit holder, individually or as a member of a family unit that holds a majority ownership interest, may receive funds from the RLF Program, taking into account factors such as the amount of available funding.
9. Vendor contracts will delineate all terms and conditions of the RLF Program, as set forth herein, and include detailed provisions regarding loan tracking, quarterly reporting, and other forms of accountability. The initial contract period will begin approximately September 1, 2013 and be subject to annual renewal based on vendor performance and the availability of funds. RIDEM reserves the right to not renew contracts if, for whatever reason, RIDEM decides to modify or terminate the RLF Program. Upon notification by RIDEM that a contract will not be renewed, Vendors will be responsible for returning all funds originally advanced, minus any funds used by the Vendor to cover administrative start-up costs, and minus any funds that remain loaned out or subject to default, effective on the ending date of the contract. For any such funds that remain loaned out or subject to default, vendors will be required to make their best efforts to collect the funds and return them to RIDEM in a timely fashion. Vendors shall not be held responsible for any defaults deemed unresolvable.
10. The initial contract period will begin approximately September 1, 2013 and be subject to annual renewal based on vendor performance and the availability of funds. RIDEM reserves the right to not renew contracts if, for whatever reason, RIDEM decides to modify or terminate the RLF Program. Upon notification by RIDEM that a contract will not be renewed, Vendors will be responsible for returning all funds originally advanced, minus any funds that remain loaned out or subject to default, effective on the ending date of the contract. For any such funds that remain loaned out or subject to default, vendors will be required to make their best efforts to collect the funds and return them to RIDEM in a timely fashion. Vendors shall not be held responsible for any defaults deemed unresolvable.

The Vendor will be responsible for all costs associated with postage, client invoices and other related forms and/or correspondence.

Cancellation Clause: With a sixty (60) day RIDEM may cancel the contract for cause. The Vendor must perform for the duration of the contract.

SECTION 4: TECHNICAL PROPOSAL

Narrative and format: The separate technical proposal should address specifically each of the required elements:

1. Capability, Capacity, and Qualifications of the Offeror – Provide documentation verifying the Vendor’s status as a financial lending institution authorized to do business in Rhode Island, in compliance with all federal and state laws and regulations applicable to their lending activities, and whose assets are FDIC, or similarly insured (e.g., NCUSIF). Also provide documentation verifying that the Vendor operates a commercial lending program, has experience in small-business lending and small-business financial planning assistance, and has at least one branch office in Rhode Island. If applicable, characterize the nature and extent of the vendor’s experience with regard to providing financial services to commercial fishermen.
2. Staff Qualifications – For key staff who will be involved in the Program, provide staff resumes/CVs and describe their relevant qualifications and experience, particularly with regard to their experience in the field of commercial lending and small-business planning assistance.
3. Operational Plan – Provide an Operational Plan that details the process to be followed for originating, qualifying, and administering funds for short-term loans. The Plan shall include, at a minimum, the following elements:
 - a. The type of lending(s) to be made available – i.e., loans and/or lines of credit
 - b. How the lending program will be marketed.
 - c. How the lending program will be administered, with particular reference to the overall process of loan origination, and the full range of services to be provided to loan applicants and recipients, with particular reference to small-business financial planning assistance.
 - d. The basis to be used by Vendor for establishing interest rates on individual loans or lines of credit. If a fixed rate is proposed, that rate must be set forth in the Plan. If a rate is likely to vary depending on the risk profile and fitness of each applicant, the range must be set forth in the Plan.
 - e. Any fees to be charged by the vendor in association with the loans or lines of credit, including the basis for and amount of any such fees.
 - f. How the Vendor will guard against, and seek to rectify, defaults.
 - g. The process to be used by the vendor to track all lending activity and provide quarterly reports pertaining thereto.
 - h. The administrative costs of administering the program -- namely, start-up, and annual administration costs -- and the means by which those costs will be

covered.

- i. The procedures, protocols, and systems the Vendor has in place to ensure that all confidential information pertaining to loan applicants and recipients, held by the Vendor, as a result of being selected as a Vendor, will be properly protected from disclosure.

SECTION 5: COST PROPOSAL

Detailed Budget and Budget Narrative:

Specify, and explain the basis of and rationale for, any/all fees to be charged by the Vendor in association with the loan program, including:

- o Program administration (up to \$10,000 available from the state-administered federal grant);
- o Loan fees (to be paid by loan applicant/recipient)
- o Interest rate(s) on loans (to be paid by loan recipient)

Alternative fee structures will be considered; however, the Vendor must provide an understandable fee structure and explain the benefits of the alternative approach.

SECTION 6: EVALUATION AND SELECTION

Proposals will be reviewed by a Technical Review Committee comprised of staff from state agencies. To advance to the Cost Evaluation phase, the Technical Proposal must receive a minimum of 60 (85.7%) out of a maximum of 70 technical points. Any technical proposals scoring less than 60 points will not have the cost component opened and evaluated. The proposal will be dropped from further consideration.

Proposals scoring 60 technical points or higher will be evaluated for cost and assigned up to a maximum of 30 points in cost category, bringing the potential maximum score to 100 points.

The Department of Environmental Management reserves the exclusive right to select the individual(s) or firm (vendor) that it deems to be in its best interest to accomplish the project as specified herein; and conversely, reserves the right not to fund any proposal(s).

Proposals will be reviewed and scored based upon the following criteria:

Criteria	Possible Points
Capability, Capacity, and Qualifications of the Offeror	25 Points
Staff Qualifications	10 Points
Quality of the Operational Plan	35 Points
Total Possible Technical Points	70 Points
Cost calculated as lowest responsive cost proposal divided by (this cost proposal) times 30 points *	30 Points
Total Possible Points	100 Points

*The Low bidder will receive one hundred percent (100%) of the available points for cost. All other bidders will be awarded cost points based upon the following formula:

$$(\text{low bid} / \text{vendors bid}) * \text{available points}$$

For example: If the low bidder (Vendor A) bids \$65,000 and Vendor B bids \$100,000 for monthly cost and service fee and the total points available are Thirty (30), vendor B's cost points are calculated as follows:

$$\$65,000 / \$100,000 * 30 = 19.5$$

Points will be assigned based on the offeror's clear demonstration of his/her abilities to apply appropriate methods to administer the loan program in ways that maximize benefits to loan applicants and recipients.

Applicants may be required to submit additional written information or be asked to make an oral presentation before the technical review committee to clarify statements made in their proposal. Applicants may be required to submit additional written information or be asked to make an oral presentation before the Technical Review Committee to clarify statements made in their proposal.

SECTION 7: PROPOSAL SUBMISSION

Questions concerning this solicitation may be e-mailed to the Division of Purchases at David.Francis@purchasing.ri.gov no later than the date and time indicated on page one of this solicitation. Please reference RFP # 7475366 on all correspondence. Questions should be submitted in a Microsoft Word attachment. Answers to questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information. If technical assistance is required to download, call the Help Desk at (401) 574-9709.

Offerors are encouraged to submit written questions to the Division of Purchases. No other contact with State parties will be permitted. Interested offerors may submit proposals to provide the services covered by this Request on or before the date and time listed on the cover page of this solicitation. Responses received after this date and time, as registered by the official time clock in the reception area of the Division of Purchases will not be considered.

Responses (an original plus two (2) copies) should be mailed or hand-delivered in a sealed envelope marked “RFP# **7475366 RI Commercial Fisheries Revolving Loan Fund**” to:

RI Dept. of Administration
Division of Purchases, 2nd floor
One Capitol Hill
Providence, RI 02908-5855

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations or those not presented to the Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed, or emailed, to the Division of Purchases will not be considered. The official time clock is in the reception area of the Division of Purchases.

RESPONSE CONTENTS

Responses shall include the following:

1. A completed and signed four-page R.I.V.I.P generated bidder certification cover sheet downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.
2. One completed and signed W-9 downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.
3. A separate Technical Proposal describing the qualifications and background of the applicant and experience with and for similar projects, and all information described earlier in this solicitation. The Technical Proposal is limited to six (6) pages (this excludes any appendices, such as documentation pertaining to Vendor's status as a financial institution, resumes, etc.).

4. A **separate, signed and sealed Cost Proposal** reflecting the administrative costs, loan fees, and interest rate(s) – or any alternative fee structure -- proposed to complete all of the requirements of this project.
5. In addition to the multiple hard copies of proposals required, Respondents are requested to provide their proposal in electronic format (CD-Rom, disc, or flash drive). Microsoft Word / Excel OR PDF format is preferable. Only 1 electronic copy is requested and it should be placed in the proposal marked “original.”

SECTION 8: CONCLUDING STATEMENTS

Notwithstanding the above, the State reserves the right not to award this contract or to award on the basis of cost alone, to accept or reject any or all proposals, and to award in its best interest.

Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further.

The State may, at its sole option, elect to require presentation(s) by offerors clearly in consideration for award.

The State’s General Conditions of Purchase contain the specific contract terms, stipulations and affirmations to be utilized for the contract awarded to the RFP. The State’s General Conditions of Purchases/General Terms and Conditions can be found at the following URL: <https://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf>