



**ERIE COUNTY**

**REQUEST FOR PROPOSAL (RFP)**  
**TO PROVIDE**  
**ADMINISTRATIVE SERVICES FOR THE**  
**MICROENTERPRISE LOAN FUND**

**RFP #2025-028VF**

**March 25, 2025**

**Daniel Castle, AICP**  
**Department of Environment and Planning**  
**EDWARD A. RATH COUNTY OFFICE BUILDING**  
**95 FRANKLIN STREET**  
**BUFFALO, NEW YORK 14202**

**COUNTY OF ERIE, NEW YORK**  
**REQUEST FOR PROPOSALS (“RFP”)**

**RFP #2025-028VF**

**TO PROVIDE ADMINISTRATIVE SERVICES FOR THE  
MICROENTERPRISE LOAN FUND**

**I. INTRODUCTION**

The County of Erie, New York (the “County”) is currently seeking Proposal Statements from qualified firms, organizations or agencies to provide administrative services for the Microenterprise Loan Fund.

The Microenterprise Fund activity is a revolving loan program aimed at eligible micro businesses. These are small stores, restaurants, et cetera that have 5 or fewer employees and the business owner’s household income satisfies federal low/moderate income requirements. Low interest loans and grants are available for building improvements, equipment purchases and working capital. There are no job creation requirements.

**The Loan Administration Plan (Attachment B) is attached that further describes the Microenterprise Loan Program**

Proposers interested in providing said service are invited to respond to this request.

It is the County's intent to select the Proposer that provides the best solution for the County's needs.

The County reserves the right to amend this RFP. The County reserves the right to reject any or all of the proposals, or any part thereof, submitted in response to this RFP, and reserves the right to waive formalities, if such action is deemed to be in the best interest of the County. The County reserves the right to request additional information from any proposer. The County reserves the right to award negotiated contracts to one or more proposers.

This RFP is not intended and shall not be construed to commit the County to pay any costs incurred in connection with any proposal or to procure or contract with any firm.

The County will only contract with firms that do not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, citizenship status or any other status protected by New York State and Federal laws.

## **II. PROPOSAL PROCEDURES**

### **A. ANTICIPATED SCHEDULE OF PROPOSAL**

The following schedule is for informational purpose only. The County reserves the right to amend this schedule at any time.

Issue RFP:	March 24, 2025
Proposals Due:	April 14, 2025
Selection Made:	April 28, 2025 (14) days following due date
Contract Signed:	Following all necessary County approvals

### **B. GENERAL REQUIREMENTS**

1. Each proposal shall be prepared simply and economically avoiding the use of elaborate promotional materials beyond what is sufficient to provide a complete, accurate and reliable presentation.
2. One (1) original and five (5) copies shall be submitted. Proposals **MUST** be signed. Unsigned proposals will be rejected.
3. Submission of the proposals shall be directed to:

Paul D'Orlando, Principal Contract Monitor  
Erie County Department of Environment and Planning  
Edward A. Rath County Office Building  
95 Franklin Street, Room 1014  
Buffalo, New York 14202

**All proposals must be delivered to the above office on or before April 14, 2025 at 4:00 p.m. Proposals received after the above date and time will not be considered. The County is under no obligation to return proposals.**

4. Requests for clarification of this RFP must be written and submitted to Paul D'Orlando at Erie County Department of Environment and Planning, Edward A. Rath County Office Building, 95 Franklin Street, Room 1014, Buffalo, New York 14202 no later than 4:00 p.m. on Wednesday, April 2, 2025. Formal written responses will be distributed by the County on or before April 2, 2025. **NO COMMUNICATIONS OF ANY KIND WILL BE BINDING AGAINST THE COUNTY EXCEPT FOR THE FORMAL WRITTEN RESPONSES TO ANY REQUEST FOR CLARIFICATION.**
5. Proposers may be required to give an oral presentation to the County to clarify or elaborate on the written proposal. Those proposers will be notified to arrange specific times.

6. No proposal will be accepted from nor any agreement awarded to any proposer that is in arrears upon any debt or in default of any obligation owed to the County. Additionally, no agreement will be awarded to any proposer that has failed to satisfactorily perform pursuant to any prior agreement with the County.
7. Certified Minority Business Enterprise/Women's Business Enterprise (MBE/WBE) proposers should include the Erie County certification letter with the proposal.
8. If proposer is a Veteran Owned Business, proposer should include letter indicating company is 51% or more Veteran-owned.

**All proposers submitting proposals must include a cost proposal in a separate sealed envelope clearly labeled with the proposer name, due date of proposal, proposal name ("Administrative Services for the Microenterprise Loan Fund" RFP #2025-28vf) and Cost Proposal.**

### **III. SCOPE OF PROFESSIONAL SERVICES REQUIRED**

**A. Scope of Services:** The firm will be responsible for the following:

1. Review of loan necessity, credit worthiness and initial loan recommendations.
2. Implementation of Delinquency Process.
3. Payment receipt and recording proof.
4. Preparation of monthly reports.

Reference should be made to Sections B, C, D and E, 10 and 11 of the attached Loan Administration Plan for further information regarding the role of the Erie County staff and the firm.

**B. Proposal Fee:** The engagement shall be on an hourly rate basis. For purposes of this RFP the firm should submit a listing of hourly rates to be utilized through March 31, 2026.

**C. Similar Engagements:** The firm shall submit a description of projects related in nature to this request and prepared by professional staff that will be assigned to the project.

**D. Team Members and Project Manager:** The proposal shall list all individuals who will work on the projects as well as the project manager. Include the hourly rate for assigned staff.

- E. **References:** A minimum of two professional references including names and telephone numbers shall be included in the proposal.
- F. Evidence of any proposed MBE/WBE firm participation in the engagement.
- G. Identification of the primary contact person.
- H. **Miscellaneous:**
  - 1. Selection Process: A committee of officials representing the Erie County Department of Environment and Planning, and Erie County Community Development Block Grant Urban County Consortium will review the proposals against the following criteria:
    - a) Experience of the firm in performing similar programs;
    - b) Reasonableness of fee;
    - c) Quality of proposal relative to style, comprehensiveness and content;
    - d) Reference checks;
    - e) Performance at interview (if required).

The above selection criteria are provided to assist proposers and are not meant to limit other considerations which may become apparent during the course of the selection process.
- I. **Time Period:** The engagement will extend approximately five (5) years from the date of contract execution.
- J. **Copies:** One (1) original and five (5) copies of each proposal are required. Submit all copies to: Paul J. D'Orlando, Principal Contract Monitor, no later than 4:00 p.m. on April 14, 2025.

## ERIE COUNTY CONTACT

Mr. Paul J. D'Orlando, Principal Contract Monitor, Erie County Department of Environment and Planning, Edward A. Rath County Office Building, 95 Franklin Street, Room 1014, Buffalo, New York 14202 (Tel.) 716-858-2194.

### CAVEATS

- A. Erie County Department of Environment and Planning reserves the right to reject any and all proposals.
- B. The Erie County Department of Environment and Planning reserves the right to issue written notice to all participating firms of any change in the proposal submission schedule should the County determine in its sole discretion that such changes are necessary.

- C. Acceptance by the Erie County Department of Environment and Planning of any proposal submitted pursuant to this Request for Proposal shall not constitute any implied intent to enter into a contract for consultant services.

## **V. STATEMENT OF RIGHTS**

### **UNDERSTANDINGS**

**Please take notice**, by submission of a proposal in response to this request for proposals, the proposer agrees to and understands:

- that any proposal, attachments, additional information, etc. submitted pursuant to this Request for Proposals constitute merely a suggestion to negotiate with the County of Erie and is not a bid under Section 103 of the New York State General Municipal Law;
- submission of a proposal, attachments and additional information shall not entitle the proposer to enter into an agreement with the County of Erie for the required services;
- by submitting a proposal, the proposer agrees and understands that the County of Erie is not obligated to respond to the proposal nor is it legally bound in any manner whatsoever by submission of same;
- that any and all counter-proposals, negotiations or any communications received by a proposing entity, its officers, employees or agents from the County, its elected officials, officers, employees or agents shall not be binding against the County of Erie, its elected officials, officers, employees or agents unless and until a formal written agreement for the services sought by this RFP is duly executed by both parties and approved by the Erie County Legislature, the Erie County Fiscal Stability Authority, and the Office of the Erie County Attorney.

In addition to the foregoing, by submitting a proposal, the proposer also understands and agrees that the County of Erie reserves the right, and may at its sole discretion exercise, the following rights and options with respect to this Request for Proposals:

- To reject any or all proposals;
- To issue amendments to this RFP;
- To issue additional solicitations for proposals;
- To waive any irregularities in proposals received after notification to proposers affected;
- To select any proposal as the basis for negotiations of a contract, and to negotiate with one or more of the proposers for amendments or other modifications to their proposals;
- To conduct investigations with respect to the qualifications of each proposer;

- To exercise its discretion and apply its judgment with respect to any aspect of this RFP, the evaluation of proposals and the negotiations and award of any contract;
- To enter into an agreement for only portions (or not to enter into an agreement for any) of the services contemplated by the proposals with one or more of the proposers;
- To select the proposal that best satisfies the interests of the County and not necessarily on the basis of price or any other single factor;
- To interview the proposer(s);
- To request or obtain additional information the County deems necessary to determine the ability of the proposer;
- To modify dates;
- All proposals prepared in response to this RFP are at the sole expense of the proposer and with the express understanding that there will be no claim whatsoever for reimbursement from the County for the expenses of preparation. The County assumes no responsibility or liability of any kind for costs incurred in the preparation or submission of any proposal;
- While this is a RFP and not a bid, the County reserves the right to apply the case law under General Municipal Law § 103 regarding bidder responsibility in determining whether a proposer is a responsible vendor for the purpose of this RFP process;
- The County is not responsible for any internal or external delivery delays which may cause any proposal to arrive beyond the stated deadline. To be considered, proposals MUST arrive at the place specified herein and be time stamped prior to the deadline.

## **EVALUATION**

The following criteria, not necessarily listed in order of importance, will be used to review the proposals. The County reserves the right to weigh its evaluation criteria in any manner it deems appropriate:

- Proposer's demonstrated capability to provide the services.
- Evaluation of the professional qualifications, personal background and resume(s) of individuals involved in providing services.
- Proposer's experience to perform the proposed services.
- Proposer's financial ability to provide the services.

- Evaluation of the proposer's fee submission. It should be noted that while price is not the only consideration, it is an important one.
- A determination that the proposer has submitted a complete and responsive proposal as required by this RFP.
- An evaluation of the proposer's projected approach and plans to meet the requirements of this RFP.
- The proposer's presentation at and the overall results of any interview conducted with the proposer.
- Proposers MUST sign the Proposal Certification attached hereto as Schedule "A." Unsigned proposals will be rejected.
- Proposers may be required to give an oral presentation to the County to clarify or elaborate on the written proposal.
- No proposal will be accepted from nor any agreement awarded to any proposer that is in arrears upon any debt or in default of any obligation owed to the County. Additionally, no agreement will be awarded to any proposer that has failed to satisfactorily perform pursuant to any prior agreement with the County.

## **SELECTION**

All proposals timely received and complete will be evaluated and ranked by a three (3) to five (5) person selection committee comprised of representatives from groups such as ECDEP, local government officials and planning organizations. The evaluation is based on the written proposals using a numerical score sheet related to the questions posed in the proposal guidelines.

When the evaluations are complete, the respondents' proposals are ranked. The proposal receiving the best overall rating is ranked first.

## **CONTRACT**

After selection of the successful proposer, a formal written contract will be prepared by the County of Erie and will not be binding until signed by both parties and, if necessary, approved by the Erie County Legislature, the Erie County Fiscal Stability Authority and the Office of the County Attorney. **NO RIGHTS SHALL ACCRUE TO ANY PROPOSER BY THE FACT THAT A PROPOSAL HAS BEEN SELECTED BY THE COUNTY FOR SUBMISSION TO THE ERIE COUNTY LEGISLATURE AND/OR THE ERIE COUNTY FISCAL STABILITY AUTHORITY FOR APPROVAL. THE APPROVAL OF SAID LEGISLATURE AND/OR AUTHORITY MAY BE NECESSARY BEFORE A VALID AND BINDING CONTRACT MAY BE EXECUTED BY THE COUNTY.**

[The term of the contract shall be for a three (3) year period commencing April 1, 2025 and terminating March 31, 2028. The County, in its sole discretion may extend the



agreement beyond its initial term for up to one (1) additional 1-year period at the same prices and conditions.]

## **INDEMNIFICATION AND INSURANCE**

The proposer accepts and agrees that language in substantially the following form will be included in the contract between the proposer and the County:

“In addition to, and not in limitation of the insurance requirements contained herein the Consultant agrees:

(a) that except for the amount, if any, of damage contributed to, caused by or resulting from the negligence of the County, the Consultant shall indemnify and hold harmless the County, its officers, employees and agents from and against any and all liability, damage, claims, demands, costs, judgments, fees, attorneys' fees or loss arising directly or indirectly out of the acts or omissions hereunder by the Consultant or third parties under the direction or control of the Consultant; and

(b) to provide defense for and defend, at its sole expense, any and all claims, demands or causes of action directly or indirectly arising out of this Agreement and to bear all other costs and expenses related thereto.

Upon execution of any contract between the proposer and the County, the proposer will be required to provide proof of the insurance coverage described in Schedule “B.”

Insurance coverage in amount and form shall not be deemed acceptable until approved by the County Attorney.

## **INTELLECTUAL PROPERTY RIGHTS**

The proposer accepts and agrees that language in substantially the following form will be included in the contract between the proposer and the County:

All deliverables created under this Agreement by the Consultant are to be considered “works made for hire”. If any of the deliverables do not qualify as “works made for hire”, the Consultant hereby assigns to the County all right, title and interest (including ownership of copyright) in such deliverables and such assignment allows the County to obtain in its name copyrights, registrations and similar protections which may be available. The Consultant agrees to assist the County, if required, in perfecting these rights. The Consultant shall provide the County with at least one copy of each deliverable.

The Consultant agrees to indemnify and hold harmless the County for all damages, liabilities, losses and expenses arising out of any claim that a deliverable infringes upon an intellectual property right of a third party. If such a claim is made, or appears likely to be made, the Consultant agrees to enable the County's continued use of the deliverable, or to modify or replace it. If the County determines that none of these alternatives is reasonably available, the deliverable will be returned.

All records compiled by the Consultant in completing the work described in this Agreement, including but not limited to written reports, source codes, studies, drawings, blueprints, negatives of photographs, computer printouts, graphs, charts, plans, specifications and all other similar recorded data, shall become and remain the property of the County. The Consultant may retain copies of such records for its own use.

## **NON-COLLUSION**

The proposer, by signing the proposal, does hereby warrant and represent that any ensuing agreement has not been solicited, secured or prepared directly or indirectly, in a manner contrary to the laws of the State of New York and the County of Erie, and that said laws have not been violated and shall not be violated as they relate to the procurement or the performance of the agreement by any conduct, including the paying or the giving of any fee, commission, compensation, gift, gratuity or consideration of any kind, directly or indirectly, to any County employee, officer or official.

## **CONFLICT OF INTEREST**

All proposers must disclose with their proposals the name of any officer, director or agent who is also an employee of the County of Erie. Further, all proposers must disclose the name of any County employee who owns, directly or indirectly, an interest of ten percent or more in the firm or any of its subsidiaries or affiliates.

There shall be no conflicts in existence during the term of any contract with the County. The existence of a conflict shall be grounds for termination of a contract.

## **COMPLIANCE WITH LAWS**

By submitting a proposal, the proposer represents and warrants that it is familiar with all federal, state and local laws and regulations and will conform to said laws and regulations. The preparation of proposals, selection of proposers and the award of contracts are subject to provisions of all Federal, State and County laws, rules and regulations.

## **CONTENTS OF PROPOSAL**

The New York State Freedom of Information Law as set forth in Public Officers Law, Article 6, Sections 84 et seq., mandates public access to government records. However, proposals submitted in response to this RFP may contain technical, financial background or other data, public disclosure of which could cause substantial injury to the proposer's competitive position or constitute a trade secret. Proposers who have a good faith belief that information submitted in their proposals is protected from disclosure under the New York Freedom of Information Law shall:

- a) insert the following notice in the front of its proposal:

## “NOTICE

The data on page 13 of this proposal identified by an asterisk (\*) contains technical or financial information constituting trade secrets or information the disclosure of which would result in substantial injury to the proposer’s competitive position.

The proposer requests that such information be used only for the evaluation of the proposal, but understands that any disclosure will be limited to the extent that the County considers proper under the law. If the County enters into an agreement with this proposer, the County shall have the right to use or disclose such information as provided in the agreement, unless otherwise obligated by law.”

and

b) clearly identify the pages of the proposals containing such information by typing in bold face on the top of each page” \* **THE PROPOSER BELIEVES THAT THIS INFORMATION IS PROTECTED FROM DISCLOSURE UNDER THE STATE FREEDOM OF INFORMATION LAW.**”

The County assumes no liability for disclosure of information so identified, provided that the County has made a good faith legal determination that the information is not protected from disclosure under applicable law or where disclosure is required to comply with an order or judgment of a court of competent jurisdiction.

The contents of the proposal which is accepted by the County, except portions “Protected from Disclosure,” may become part of any agreement resulting from this RFP.

### **EFFECTIVE PERIOD OF PROPOSALS**

All proposals must state the period for which the proposal shall remain in effect (i.e. how much time does the County have to accept or reject the proposal under the terms proposed). Such period shall not be less than 180 days from the proposal date.

**SCHEDULE "A"**

**PROPOSER CERTIFICATION**

The undersigned agrees and understands that this proposal and all attachments, additional information, etc. submitted herewith constitute merely an offer to negotiate with the County of Erie and is NOT A BID. Submission of this proposal, attachments, and additional information shall not obligate or entitle the proposing entity to enter into a service agreement with the County of Erie for the required services. The undersigned agrees and understands that the County of Erie is not obligated to respond to this proposal nor is it legally bound in any manner whatsoever by the submission of same. Further, the undersigned agrees and understands that any and all proposals and negotiations shall not be binding or valid against the County of Erie, its directors, officers, employees or agents unless an agreement is signed by a duly authorized officer of the County of Erie and, if necessary, approved by the Erie County Legislature and Erie County Fiscal Stability Authority and the Office of the County Attorney.

It is understood and agreed that the County of Erie reserves the right to reject consideration of any and all proposals including, but not limited to, proposals which are conditional or incomplete. It is further understood and agreed that the County of Erie reserves all rights specified in the Request for Proposals.

It is represented and warranted by those submitting this proposal that except as disclosed in the proposal, no officer or employee of the County of Erie is directly or indirectly a party to or in any other manner interested in this proposal or any subsequent service agreement that may be entered into.

\_\_\_\_\_  
Proposer Name

By: \_\_\_\_\_  
Name and Title



## ATTACHMENT B

### ERIE COUNTY DEPARTMENT OF ENVIRONMENT AND PLANNING MICROENTERPRISE LOAN FUND LOAN ADMINISTRATION PLAN

The purpose of the MLF is to foster economic development within the Erie County Consortium Communities by providing financing and management support to microenterprise businesses. The MLF is funded with Community Development Block Grant ("CDBG") funds provided by the United States Department of Housing and Urban Development ("HUD") and, as such, the MLF is subject to HUD regulations governing the use of block grant funding. This activity is designed to primarily benefit low to moderate-income ("LMI") households through the provision of assistance to micro-enterprises under 24 CFR 570.201(o).

A microenterprise is a business that has no more than five employees, of which one is the owner. The microenterprise business owner must also be an income eligible household in order to meet the federal microenterprise definition and participate in the program. To meet the objectives of its federal funding sources, MLF loans must be made in circumstances which will maximize the opportunities for job creation and retention targeted to LMI individuals.

Owner should not provide his/her signature unless he/she has read and understands the income information they are certifying under penalty of law. At the discretion of the program, owner may be required to provide documentation to the Program to confirm the self-declaration of income.

#### **LOAN POLICIES AND ELIGIBILITY**

1. An eligible borrower may be any business having five or fewer employees, one or more of whom owns the business or any person, who after an initial screening, is actively working towards developing a business that is expected to be a microenterprise at the time it is formed. The business may be a proprietorship, partnership or corporation as well as a start-up, newly established or growing business. Businesses must be located in an eligible community and borrowers must meet the household income limits as established by HUD (see Attachment 3).

2. MLF financing is available for applicants after completing the application and remitting the fees associated with obtaining required credit report(s) to the ECIDA.
3. HUD regulations require that MLF loans can only be made if it has been determined that the financing to be provided is not excessive in light of the borrower's needs and the public benefits expected to result from the loan. Representatives of the ECDEP will make the initial determination on whether the loan is "necessary or appropriate" prior to formal processing of loan applications.
4. MLF will not participate in a financing if a similar loan accommodation is available on reasonable terms and conditions from conventional financing sources.
5. MLF will extend financing to owners of microenterprises that are unable to access traditional sources of financing. In addition, MLF personnel will work with individuals who have poor credit records, including bankruptcies, contingent upon meeting requirements set forth in item A-2 and presentation before the MLF Review Committee. MLF will not, however, extend financing to those individuals who are found to have liens or judgments involving public funds.

The MLF Committee can require that the applicant receive technical assistance, advice, and/or business support services, when appropriate. When such services are required, funding may be made available to organizations, agencies and other entities (including nonprofit and for-profit organizations) that provide such services from the existing MLF portfolio, as a service delivery cost. Such action will only take place with the approval of the ECDEP.

6. MLF will place high priority on projects that further the development of minority or women-owned enterprises and employment opportunities where such ventures are in conformity with the loan policy guidelines of the fund.
7. MLF will not discriminate against any applicant on the basis of race, national origin, religion, creed, sex, age, or disability.
8. MLF borrowers shall meet the above eligibility criteria and submit all required supplementary information as outlined in the basic loan application requirements (see attachment 1) required from ECIDA's Finance Division for review by the MLF Review Committee.

9. The following types of businesses are ineligible for MLF funding:
- Non-profit businesses (for-profit subsidiaries are eligible);
  - Financial businesses primarily engaged in the business of lending, such as banks, finance companies, and factors (pawn shops, although engaged in lending, may qualify in some circumstances);
  - Passive businesses owned by developers and landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds (except Eligible Passive Companies under §120.111);
  - Life insurance companies;
  - Pyramid sale distribution plans;
  - Businesses deriving more than one-third of gross annual revenue from legal gambling activities;
  - Businesses engaged in illegal activity;
  - Private clubs and businesses which limits the number of memberships for reasons other than capacity;
  - Government-owned entities (except for businesses owned or controlled by a Native American tribe);
  - Businesses principally engaged in teaching, instructing, counseling, or indoctrinating religion, whether in a religious or secular setting;
  - Consumer and marketing cooperatives (producer cooperatives are eligible);
  - Loan packagers earning more than one-third of their gross annual revenue from packaging SBA loans;
  - Businesses with an associate who is incarcerated, on probation, on parole, or has been indicted for a felony or a crime of moral turpitude;
  - Businesses in which the lender or CDC, or any of its associates owns an equity interest;
  - Businesses which 1) present live performance of a prurient sexual nature or 2) derive directly or indirectly more than *de minimis* gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature;
  - Unless waived by SBA for good cause, businesses that have previously defaulted on a Federal loan or Federally assisted financing, resulting in the Federal government or any of its agencies or Departments sustaining a loss in any of its programs, and businesses owned or controlled by an applicant or any of its Associates which previously owned, operated, or controlled a business which defaulted on a Federal loan (or guaranteed a loan which defaulted) and caused the Federal government or any of its agencies or Departments to sustain a loss in any of its programs. For purposes of this section, a compromise agreement shall also be considered a loss;
  - Businesses primarily engaged in political or lobbying activities; and
  - Speculative businesses (such as oil wildcatting).

## **B. LOAN CONDITIONS**

1. MLF will leverage conventional financing, but will not assume high risks or “bail-out” conventional financial institutions, other Federal, State or local financing programs. Dollar for dollar refinancing without additional leveraged financing is not permitted.
2. MLF loan proceeds will be used primarily for fixed asset investments and/or permanent working capital. MLF’s maximum participation in any financial package will not exceed \$35,000 on a direct basis to any single applicant. Applicant is required to have at least \$5,000 in assets shown on their financial statement.
3. MLF loans will be fixed-rate financing at a rate and term determined by the MLF Loan Review Committee and will be comprised of a 50% loan and 50% grant. A lien for the total amount of the loan will be recorded. Upon full payment of the loan, 50% of the loan will be converted to the grant. In the event that the loan is not paid as agreed, the borrower would not be eligible for the 50% grant and will be responsible for the full loan amount.
4. MLF will accept various lien positions with respect to the applicant’s assets depending upon the total financing required and the relative position of other participant lenders. However, MLF will not extend financing to those individuals who are found to have liens or judgments involving public funds. While collateral will be required in securing a MLF loan, it is expected that the applicant will commit available resources to the business (to be determined on an individual basis in conjunction with the MLF Loan Review Committee).
5. Applicants receiving MLF loans will agree to comply with all provisions of the Community Development Block Grant Act as applicable.

## **ADMINISTRATIVE PROVISIONS**

1. Requests for an application to the MLF can be made through Debbie Liegl, Senior Contract Monitor, at (716) 858-6409 by the principals of a microenterprise directly or by a microenterprise’s professional advisors (accountant, attorney, and banker).
2. Subsequent to the preliminary review of the proposed project by the FIRM and/or ECDEP staff to determine the general appropriateness of the project for MLF consideration, a feasibility meeting will be arranged with a representative of the firm and ECDEP. If application to the MLF is deemed



appropriate by ECDEP staff, the Loan Application should be prepared for submission.

3. The MLF Review Committee will meet as necessary for review and final disposition of the loan application. The MLF Review Committee evaluates applications as to the compliance with general policy guidelines and eligibility criteria, credit-worthiness and the relationship of the application and project to the County and regional economic development goals. The MLF Review Committee will consider whether all loan requirements can be met and will apply their financial judgment to the application by using information supplied by the applicant, the required credit report(s) and the advice of officers of the MLF Loan Committee. All members of the MLF Review Committee who have access to proprietary information are guided by a Corporate Code of Ethics, which protects the confidentiality of an applicant's privileged information.
4. Upon approval by the MLF Review Committee, the applicant will be notified by the following business day and a letter of commitment will be sent to the applicant for acceptance. The letter of commitment, if not accepted by the company, expires thirty (30) days after the date of loan approval. Acceptance by the applicant allows the project to commence, while requirements for the loan closing are being finalized.
5. The cost of the credit report(s) will be required to be remitted at time of application.
6. The loan closing date will be scheduled by mutual consent of the financing participants, pending the preparation of final loan closing documents.
7. Failure on the part of the applicant to adhere to performance criteria contained in the Loan Agreement may result in remedial actions by the firm, including but not limited to acceleration of repayment, actions against collateral and guarantors.
8. Any departure from the approved Loan Administration Plan must be reviewed and approved by the MLF Review Committee.

#### **MONITORING PROCEDURES**

1. Site visits are generally made prior to loan closing and, when warranted, subsequent to loan closing. Site visits, attendance at Board meetings and discussions with company management will be an important part of insuring the ultimate payment of the MLF loan. The MLF will employ consultants as

necessary to evaluate a company's performance, attend Board meetings, and provide technical assistance including in the areas of finance, sales/marketing, product development, and production.

2. As part of the closing process, all or substantially all collateral requirements will have been met by the borrower. Open items, if any, are agreed by all parties to be delivered by a specific date. Non-receipt of open items is an automatic event of default and is diligently tracked by the MLF Board and legal counsel. Loan closing will only take place if open collateral items are considered by legal counsel to be relatively immaterial.
3. Included in the basic loan agreement are several sections which spell out all applicable covenants. Areas covered include, but are not limited to, providing of future financial statements, payment of taxes, maintaining adequate insurance, continuance of business, compliance with all financial covenants as well as covenants imposed by the U.S. Department of Housing and Urban Development, and by federal, state, and local laws.

#### **LATE PAYMENT/ARREARS/WRITE OFF PROCEDURES**

1. **Late Payment:** All closed MLF loans include a late payment penalty provision. The provision includes the following statement: "If any payment due hereunder shall not be received within five (5) calendar days of its due date (or by the first business day thereafter if such date should not be a business day), a late charge of five percent (5%) of the amount of each overdue payment may be charged by the Lender to defray the expenses incident to handling such delinquency."

The Delinquency Notification and Tracking process includes the following steps:

- Identify payment delinquencies (the firm or ECDEP)
- Generate customized letters of delinquency and forward them to the borrower (ECDEP)
- Field verbal and written borrower inquiries (the firm or ECDEP)
- Track response activity and any subsequent payments (the firm)
- Evaluate status and forward subsequent notifications to borrower (ECIDA and the firm)
- Generate reports on the borrower's business strategies for the Loan Committee (the firm and ECDEP)

2. **Arrears:** All loans in arrears over 90 days will be reviewed by at each meeting of the MLF Committee. Discussion will include nature and length of delinquency, present and projected financial condition, loss reserve (if any), and write-off decisions (if any) made by staff. Every attempt will be made to assist the borrower to avoid arrears prior to the 90 days. An account may be referred to a collections agency should the borrower not put forth a good faith effort to resolve the situation.
3. **Write Off:** The decision to charge off a given loan is a matter of judgment on the part of MLF management. That decision is predicted on the facts and circumstances of each case, which are reviewed and discussed internally. The decision to charge off a loan may be triggered by a specific event, such as the conversion of a Chapter XI Bankruptcy to Chapter VII liquidation or by the passage of time without change or improvement.

All loan charge-offs are documented by evaluating various relevant factors including, but not limited to, amounts outstanding, payment history, collateral and collateral position, guaranties-secured or unsecured, net worth of guarantor, senior debt balances, most recent and historical financial information.

Normally because of the regular monitoring and adjustment of the loan loss reserve, when a loan reaches a point where it is to be written off, that loan has previously been fully reserved. As a result, there is no financial impact to the MLF of the actual write-off since previous increases to the loan loss reserve flowed through the MLF's statement of revenue and expense. In rare instances where a loan to be written off had not been reserved at 100%, the difference between the principal balance to be written off and the amount reserved would flow through the statement of revenue and expense.

It should be noted that the administrative accounting function of charging off a loan does not end the effort to collect on the loan. Most post-charge recoveries, however, are from secondary and tertiary sources rather than from the original borrower's assets and operations. The possible sources of charge-off recoveries include personal guarantees, liquidation proceeds, mortgage payments on personal residences, sale of preferred stock taken in workouts, royalty payments on patent assignments and court ordered payments during and after bankruptcy proceedings.

All loan write-offs are separately disclosed in the monthly financial statements are in the Semi-Annual reports filed with HUD. All loans

identified by staff to be written-off will be discussed with the MLF policy committee prior to write-off.

## **ATTACHMENT 1**

### **BASIC LOAN APPLICATION FAQ'S**

#### **WHAT IS THE MICROENTERPRISE LOAN FUND (MLF)?**

The MLF is a program administered by the Erie County Department of Environment & Planning (ECDEP) and the firm that provides financing and support to microenterprise businesses.

#### **WHAT IS A MICROENTERPRISE?**

A microenterprise is a business that has no more than five employees of which one is the owner.

#### **WHO IS ELIGIBLE FOR A LOAN?**

A microenterprise business owner must meet the federal income eligible household guidelines in order to participate in the program. For example, a household of two could not earn more than \$62,080. Businesses located in the City of Buffalo and the Towns of Amherst, Cheektowaga, Hamburg, and Tonawanda (and the Villages therein) **are not eligible** to apply.

#### **HOW MUCH CAN I BORROW?**

The program makes available low-interest loans up to a minimum of \$5,000 and a maximum of \$35,000.

#### **WHAT CAN THE LOAN BE USED FOR?**

Loans may be used to finance furniture, fixtures, equipment, inventory, materials and supplies. Loans may also be used for working capital. Funds cannot be used to purchase or improve real estate or refinance existing debt.

#### **ARE THE LOANS AFFORDABLE?**

Yes. The competitive interest rate is fixed over the life of the loan, so budgeting for payment is easier. Loan terms vary according to the size of the loan, the planned use of the funds, and the needs of the borrower, but may be as long as six years.

#### **HOW LONG DOES APPROVAL TAKE?**

Generally, once the application is received, all information is verified and a personal interview has taken place, approval can be obtained within 30 days.

#### **HOW DO I APPLY?**

Applications can also be obtained by calling Debbie Liegl, Senior Contract Monitor at (716) 858-6409. Please include all applicable paperwork and fees as indicated on the application. In addition, please include your business plan, the latest tax returns, current income verifications and three years of financial projects.

**FOR MORE INFORMATION**

Please call Erie County's Environment and Planning Senior Contract Monitor Debbie Liegl at (716) 858-6409 for additional information and to obtain an application.

**SCHEDULE "B"**

**County of Erie Standard Insurance Certificate**

LAW-1 INS (Rev. 3/06)



This certificate does not amend, extend or alter the coverage afforded by the standard form policies listed below.

<b>I</b> Insured Name Address Zip Phone No.	III Companies Affording Coverages <b>A</b>
	<b>B</b>
	<b>II</b> Issuing Agency Name Address Zip Phone No.
	<b>D</b>

**IV** This is to certify that the policies listed below have been issued to the insured named above and are in force at this time.

Company Letter - from III above	Indicate Type of Insurance By Checking the Box	Policy Number	Effective Date & Expiration	Limits of Liability in Thousands		
				Check the Box	Occurrence	Aggregate
	<b>1. General Liability</b> <input type="checkbox"/> Comprehensive Form <input type="checkbox"/> Premises and Operations <input type="checkbox"/> Products/Completed Operations <input type="checkbox"/> Independent Contractors <input type="checkbox"/> Contractual <input type="checkbox"/> Personal Injury <input type="checkbox"/> Broad Form Property Damage <input type="checkbox"/> Explosion, Collapse <input type="checkbox"/> Underground Hazard			<input type="checkbox"/> Bodily Injury Property Damage  OR <input type="checkbox"/> Combined Single Limit		
	<b>2. Automobile Liability</b> <input type="checkbox"/> Comprehensive Form OR <input type="checkbox"/> Schedule Form <input type="checkbox"/> owned <input type="checkbox"/> hired <input type="checkbox"/> non-owned			<input type="checkbox"/> Bodily Injury Property Damage OR <input type="checkbox"/> Combined Single Limit		
	<b>3. Excess Liability</b> <input type="checkbox"/> Umbrella Form OR <input type="checkbox"/> other than umbrella <input type="checkbox"/> auto <input type="checkbox"/> general <input type="checkbox"/> both			Bodily Injury & Property  Damage Combined \$ _____  Self Insured Retention \$ _____		
	<b>4. Worker's Compensation &amp; Employer's Liability Disability Benefits</b>			Statutory  Statutory		
	<b>5. Other</b> <input type="checkbox"/>					

**V.** County of Erie is included as an additional insured under the following Policy numbers:

**VI.** Description of Operations: It is understood that this coverage on behalf of the insured is for all locations in the County of Erie, NY.

**VII.** Cancellation/Non-Renewal: Should any of the policies noted above be cancelled before expiration thereof or not renewed by the insured, the issuing company will endeavor to mail \_\_\_\_\_ days advance written notice to the Certificate Holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

<b>VIII.</b> Name and Address of Certificate Holder & Recipient of Notice: County of Erie c/o Department of Law 95 Franklin Street, Room 1634 Buffalo, NY 14202 716-858-2200	Date Issued	_____
	Auth. Representative	_____
	Firm name & address	_____
		_____

**FOR COUNTY USE ONLY:**

Name of County Dept. Requesting Certificate	_____
Purchase Order or Contact Number	_____
Vendor Insurance Classification	_____

**INSTRUCTIONS FOR COUNTY OF ERIE STANDARD INSURANCE CERTIFICATE**

- I. Insurance shall be procured and certificates delivered before commencement of work or delivery or merchandise or equipment.
- II. CERTIFICATES OF INSURANCE
  - A. Shall be made to the "County of Erie, Dept. of Law, Suite 300, 69 Delaware Ave., Buffalo, N.Y. 14202."
  - B. Coverage must comply with all specifications of the contract.
  - C. Executed by an insurance company, agency or broker, which is licensed by the Insurance Department of the State of New York. If executed by a broker, notarized copy of authorization to bind or certify coverage must be attached.
- III. Forward the completed certificate to : County of Erie, (Department or Division) responsible for entering into the agreement for construction, purchase, lease or service.
- IV. Minimum coverage with limits are as follows:

Vendor Classification	A Construction and Maintenance	B Purchase or Lease of Merchandise or Equipment	C Professional Services	D Property Leased To Others Or Use Of Facilities Or Grounds	E Concession-Aires Services	F Livery Services	G All Purposes Public Entity Contracts
Comp. Gen. Liab.	\$1,000,000	\$500,000 CSL	\$500,000 CSL	\$1,000,000	\$500,000 CSL	\$1,000,000	\$500,000 CSL
- Prem. & OPS	INCLUDE		INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE
- Prods. & Comp. OPS	INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE
- Independ. Contract.	INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE
- Contractual	INCLUDE		INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE
- Broad Form P.D.	INCLUDE	Note: Comprehensive Form Not Required					See note below
- X.C.U.							
- Personal Injury			INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE
- Liquor Law				INCLUDE	see note below		
- Host Liquor							INCLUDE
Auto Liab.	\$1,000,000 CSL		\$1,000,000 CSL	\$1,000,000 CSL	\$1,000,000 CSL	\$1,000,000 CSL	\$1,000,000 CSL
- Owned	INCLUDE		INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE
- Hired	INCLUDE		INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE
- Non-Owned	INCLUDE		INCLUDE	INCLUDE	INCLUDE	INCLUDE	INCLUDE
Excess Umbrella Liab.	\$1,000,000 see note below	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000 see note below
Worker's Compensation & Employers Liability	STATUTORY	STATUTORY	STATUTORY	STATUTORY	STATUTORY	STATUTORY	
Disability Benefits	STATUTORY	STATUTORY	STATUTORY	STATUTORY	STATUTORY	STATUTORY	
Professional Liab.			\$1,000,000				
Erie County To Be Named Add'l Insd. On	Gen. Liab., Auto Liab., & Excess	Broad Form Vendors May Be Required	Gen. Liab., Auto Liab., & Excess	Gen. Liab., Auto Liab., & Excess	Gen. Liab., Auto Liab., & Excess	Gen. Liab., Auto Liab., & Excess	Gen. Liab., Auto Liab., & Excess

\* Construction contracts require excess Umbrella Liability limits of \$3,000,000.  
 \*\* Snow removal contracts require evidence of broad form property damage.  
 \*\*\* In the event the concessionaire is required to have a N.Y.S. license to dispense alcoholic beverages an endorsement for liquor liability is required.  
 \*\*\*\* Transportation of people in buses, vans or station wagons requires \$3,000,000 excess liability.

NOTE: Workers Compensation & Employers Liability plus NYS Disability Benefits does not apply to self employed individuals.

V. In some circumstances it will be necessary to require alternate coverage and limits which will be defined in the bid specifications, contract, lease or agreement. The alternative specifications should be evidenced on the certificate in lieu of the standards printed above.

VI. The "ACORD" form certificate may be used in place of the County of Erie Standard Insurance Certificate, provided that all of the above referenced requirements are incorporated into the "ACORD" form certificate.