Regional Entrepreneurial Collaborative
Request for Proposals
May, 2010
Request for Proposals  
For the Development of a 
Regional Entrepreneurial Collaborative

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The Opportunity

The State of Michigan is issuing this Request for Proposals (RFP) in support of its commitment to meet the extensive and distinct workforce and economic development opportunities within Michigan. The purpose of this Department of Energy, Labor & Economic Growth, Bureau of Workforce Transformation (DELEG/BWT) RFP is to develop and support the creation of Regional Entrepreneurial Collaboratives (REC) throughout Michigan.

Background

The mission of DELEG/BWT is to provide resources to empower a skilled, diverse workforce in Michigan in an effort to stimulate economic growth by serving job seekers through education and in an innovative, customer-focused service system.

The objective of the Meeting Employer Needs Division (MEND) of DELEG/BWT is to consistently work with individual companies in conjunction with federal, state and local partners to provide workforce development support including assistance in the recruitment, screening, training and over-all workforce-related business practices and strategies.

Entrepreneurship is an integral part of Michigan’s past, present and future. The state’s 187,300 small businesses (fewer than 500 employees) account for 98.4% of state employers and 52% of employment\(^1\). While entrepreneurship is a workforce and economic development opportunity, the State of Michigan and most local communities lack a cohesive register of entrepreneurial resources and/or a comprehensive business start up support system.

Accessing entrepreneurial support can no longer be a challenge in these economic times. To address this challenge, the development of a mechanism to stimulate communities to create a culture of entrepreneurship through regional collaboration that delivers meaningful entrepreneurial support to drive local workforce and economic development is imperative. This RFP offers self-defined regions an opportunity to prepare entrepreneurs for business start ups and to create and/or enhance a comprehensive entrepreneurial support system.

Support Available for Regional Entrepreneurial Collaboratives

Enabling workers to acquire the skills necessary to succeed in today’s 21\(^{st}\) Century knowledge-based economy is central to Michigan’s strategy for economic transformation. In order to accelerate the state’s transformation, Michigan needs to continue to attract and create good jobs, including fostering a culture of entrepreneurship to help individuals

launch and grow their own business. This is a critical component of the Governor’s unified workforce development strategy No Worker Left Behind (NWLB), which aligns all federal and state workforce dollars used for job training. One method by which NWLB supports creating a culture of entrepreneurship and the purpose of this RFP is to establish Regional Entrepreneurial Collaboratives that increase workforce and economic development through the preparation of entrepreneurs for business start ups and the establishment of entrepreneurial support systems designed to foster the creation and growth of small business. DELEG/BWT will support the creation, enhancement and implementation of the Regional Entrepreneurial Collaboratives.

**Funding Support**

All Regional Entrepreneurial Collaborative grants will be awarded on a competitive basis to state-recognized Regional Entrepreneurial Collaboratives. The collaboratives may apply for funding of up to $200,000 to be expended over a specified period of time, but not to exceed eighteen (18) months. Ideally, support will be in increments. An example of an incremental approach with a $100,000 grant:

- Year 1, first six month period: $40,000
- Year 1, second six month period: $30,000
- Year 2, first six month period: $30,000

This is only an example; funding can be requested for a shorter period of time and at lesser amounts. **Regional Entrepreneurial Collaboratives are expected to seek long-term sustainability through other sources.**

Successful and satisfactory attainment of annual benchmarks, objectives and obligations will be a prerequisite for continued funding up to eighteen (18) months. All awarded funding must be obligated or expended prior to receipt of additional funding. Funding is contingent upon availability. Grants can be terminated by DELEG/BWT with a 30-day notice.

DELEG/BWT employees and/or State of Michigan designees will monitor the Regional Entrepreneurial Collaborative grants as a workforce development financial investment. Monitoring can include, but is not limited to: site visits, such as attendance at the Regional Entrepreneurial Collaborative support team meetings, entrepreneurial mentoring sessions, and group business plan reviews as well as requests for Regional Entrepreneurial Collaborative marketing, promotional and support materials.
Timeline for Grant Application and Awards

This RFP requires that proposals be submitted by a deadline of 5:00 p.m. on Friday, June 25, 2010.

Request for Proposals Released: Wednesday, May 12, 2010
Informational Webinar: Wednesday, May 19, 2010
Proposals Submission Deadline: Friday, June 25, 2010
Grant Award Announcement: Monday, August 9, 2010

Eligible RFP Applicants

Examples of eligible applicants include, but are not limited to:
- Non-Profit Organization
- Local Unit of Government
- Economic Development Organization
- Michigan Works! Agency/Workforce Development Board
- Business Association
- Chamber of Commerce
- Post Secondary Education Institution

For-Profit entities are ineligible to apply.

Required Proposal Components

The following outlines the requirements of this RFP. Applicants are encouraged to be innovative in the proposed design and delivery methods developed to meet the entrepreneurial workforce development needs of their self-defined region.

Proposal Components:
- Applicant Information and Proposal Cover Sheet
- Proposal Narrative (20 page limit)
- Budget Narrative (Limit 3 pages)
- Budget Summary – Attachment A
- Partner Listing
- Letters of Commitment from Partners
- Project Manager’s Resume/Curriculum Vitae
### Applicant Information

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<td>Applicant – Type of Organization:</td>
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### Authorized Signatory Information

*The authorized signatory is the authorized legal entity that will sign any documents necessary for providing the services outlined in this proposal. Please check the box to the right to designate the signature below as your electronic signature.*

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Funding Request

Collaboratives may apply for funding of up to $200,000 to be expended over a period not to exceed eighteen months. Ideally, the funding award will follow a phase down schedule in order to support both larger initial start-up costs as well as subsequent operational costs.

Funding Request: $  

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<th>Champion Information</th>
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Narrative Guidelines and Scoring (100 Points + 3 Bonus Points)

Entrepreneurial Issues (5 points)

Effective Regional Entrepreneurial Collaboratives are those that utilize and promote all of the business start-up resources within a region. DELEG/BWT funding will focus on supporting those collaboratives that demonstrate regional efforts to prepare entrepreneurs for business start ups and to establish and operate a meaningful entrepreneurial support system within their region.

The proposal must:

- Describe the local entrepreneurial issue(s) that your region has experienced over the past two years including trends and any unusual circumstances that are region-specific.
- Outline the various actions taken by the region designed to address and support the growth of entrepreneurship within your region within the past two years and/or prior to.

Regional Reach (5 points)

The Regional Entrepreneurial Collaboratives will be self-defined geographic areas supported by the entrepreneurial organizations defined in the respective Champion and Partner sections of this RFP.

Applications that are duplicative of each other within a region may result in a request for a revised combined application. Applicants are therefore strongly encouraged to assess similar interests in their region prior to submitting an application and, where possible, to jointly submit a proposal.

The proposal must:

- Identify and describe the geographic composition of your self-defined Entrepreneurial Collaborative Region. Self-defined regions may be comprised of the following, but are not limited to: multiple or individual counties; communities; or workforce areas.

Champion (5 points)
The Regional Entrepreneurial Collaborative Champion will have a strong understanding of the region as well as an expertise in workforce development, community development and/or economic development. A Champion acts as an organizer of the collaborative. Champions should be significant players or leaders in the region who play a key role in addressing the business and workforce needs of the community. The Entrepreneurial Collaborative Champions will vary based upon regional resources. They can include business and industry associations, labor organizations, workforce boards, post secondary education institutions, or nonprofit organizations.

The proposal must:

- Identify a local organization as the champion who will lead the collaborative in the entrepreneurial and small business development strategy initiative and will act as the primary entrepreneurial resource center.
- Explain why and how the project champion organization is qualified to lead the Regional Entrepreneurial Collaborative process.

Partnerships (20 points)

Capitalizing upon the collaborative strengths and resources of business support organizations is critical to a region’s economic and workforce growth and stability. Partnerships should include a broad spectrum of stakeholders and expertise, including entities such as local workforce development boards; business associations; economic development entities; organized labor; labor management organizations; K-12 and post secondary education institutions; universities; private training providers; industry resource centers; foundations; financial institutions; private consultants as well as others that might play a particular role in the business start-up and support process.

The partners must include:

- **Chamber of Commerce.** The Chamber of Commerce is responsible for promoting and protecting the community or region’s commercial interests. If applicable, multiple Chambers of Commerce within a region are encouraged to partner in this endeavor.

- **Workforce System.** The workforce system, Michigan Works! Agencies/Workforce Development Boards are actively involved to seamlessly bring together private enterprise and public resources.

- **Michigan Small Business & Technology Development Center (MI-SBTDC).** The MI-SBTDC enhances Michigan's economic well-being by providing counseling, training, research and advocacy for new ventures, existing small businesses and innovative technology companies. With offices statewide, the MI-SBTDC positively impacts the economy by strengthening existing companies, creating new jobs, retaining existing jobs, and assisting companies in defining their
path to success. The MI-SBTDC is a resource partner with the U.S. Small Business Administration (SBA).

- **SCORE (where available).** SCORE is a non-profit association dedicated to educating entrepreneurs and helping small businesses start, grow and succeed nationwide. SCORE is a resource partner with the U.S. Small Business Administration (SBA) comprised of retired business owners, executives and corporate leaders.

- **Economic Development Organizations.** Local and regional economic development organizations help identify resources, identify partners, access government information, and coordinate a variety of regional initiatives for business growth and expansion.

- **Financial Institutions.** Financial institutions facilitate the economy’s money. Financial institutions participating in the Regional Entrepreneurial Collaborative will provide fiscal direction and support critical to the success of local entrepreneurial ventures.

- **Post Secondary Education Institutions/Universities.** Educational institutions are responsible for providing training for the current and future workforce making them an important partner. Representatives must be included from local or regional post secondary educational institutions and/or universities.

DELEG/BWT strongly encourages engaging additional partners including, but not limited to:

- **K-12 Education Systems.** Early educational institutions can be influential partners and often engage in programs that encourage entrepreneurship and supplement formal educational activities.

- **Private Post Secondary Training Providers.** In addition to the public education system, the Champion should try to engage any relevant private sector training providers.

- **Industry and Trade Associations.** Trade associations bring significant resources and expertise to the table.

- **Community-Based and Faith-Based Organizations.** Community-based and faith-based organizations are broadly recognized as valuable contributors to communities across the nation. Partnerships with these organizations can assist in generating greater involvement in and success of community service and volunteer programs including mentoring and business incubation programs.

- **State and Local Governments.** Government entities can often offer additional resources and will be knowledgeable in local affairs, additional applicable partners, and possible grant opportunities.

- **Private Foundations.** Private foundations often have programs and funding available for targeted populations.

- **Advocacy or Interest Groups.** Advocacy groups can be essential partners as they hold key relationships and assist in the development of better public policy.
The proposal must clearly identify:

- How communication between partners will be managed and the mechanisms in place that will ensure active partner involvement.

- As a separate attachment, provide a listing of all participating partners, including the name of the organization, the name and title of the representative from that organization, the roles and responsibilities for that person and that of the organization, and any leveraged funds if applicable. If that organization is providing leveraged funds, please also identify the amount of and the use of the funds in the Budget and Budget Narrative section.

Proposals will be rated on the depth of the composition of the partnership and the breadth of the engagement of identified partnerships.

Leveraged Resources/Sustainability (10 points)

A combination of multiple funding sources is usually used by most initiatives to carry out their missions. Costs for championing a Regional Entrepreneurial Collaborative can be absorbed by an organization or shared among partners depending upon the work that the partnership will do. The largest ongoing expense is usually to support the Champion in managing the partnership. Partners should discuss funding from the outset.

It is expected that the Regional Entrepreneurial Collaboratives will become permanent business start-up programs within their communities. Grant funds are meant to jumpstart the development of and/or strengthen existing Regional Entrepreneurial Collaboratives. Grants made available through this RFP will be for a period not to exceed eighteen months (18). Ideally, the funding award will follow a phase down schedule in order to support both larger initial start-up costs as well as subsequent operational costs. Within twelve (12) months of the funding award and prior to final funding disbursement, collaboratives must submit a comprehensive sustainability plan for approval specifically outlining the REC’s continuance beyond the term of the award.

Leveraged resources could come from a variety of sources including: public sector (federal, state, or local governments); non-profit sector (including community-based organizations, faith-based organizations, or education and training institutions); private sector (including businesses or business associations); investor community (e.g. venture capitalists or angel investors); philanthropic community (e.g. social or corporate foundations, funding collaboratives); the economic development community (e.g. Community Development Block Grant (CDBG) Entrepreneurial Incubator program); and others.
Leveraged resources from partners are cash or in-kind contributions devoted to advancing the strategies described in the applicant’s proposal. Existing or planned efforts within the region that can be aligned and integrated into proposed collaboratives will also be considered leveraged resources. If existing or planned efforts are used as match, additional resources must be included in the proposal. Such efforts must ensure that the collaborative will be used to further enhance the current and/or planned efforts, but will be required to further expand and extend their original proposed outcomes and planned sustainability.

The proposal must:

- Clearly identify which partners contribute leveraged resources and the amount of each contribution, including an itemized description of each cash or in-kind contribution;
- Describe the quality of the leveraged resources, including the purpose of the funds and the extent to which each contribution will be used to further the goals of the collaborative; and
- Provide evidence, including letters of commitment, that key partners have expressed a clear commitment to provide the contribution.

Work Plan (35 points + 3 bonus points)

The proposal must contain a set of articulated goals that builds from and addresses the community’s economic and workforce needs, as stated in Section I, in the form of a work plan. The work plan must state how the regional collaborative will utilize community partnerships to facilitate the many stakeholders needed to develop and implement economic and workforce solutions.

All proposals must outline the key strategies that will achieve the goals, including tasks and anticipated timelines, in a work plan structure. The proposal must also expressly describe how the collaborative will:

- Recruit and maintain membership in the collaborative to create and promote solutions to address regional workforce and economic development challenges through entrepreneurship
- Identify immediate, intermediate, and long-term goals based upon regional collaborative efforts that will benefit entrepreneurs, the community, and the regional economy. Include a description of continuous strategic planning and the process that will be used for potential adjustments
- Monitor the progress of the collaborative’s goals and outcomes
• Conduct market analysis to identify the unique local resources that support and foster small businesses; create and share a database of these resources amongst members with the eventual creation of a Regional Entrepreneurial Resource Guide

• Conduct entrepreneurial training for individuals interested in starting a business or retooling an existing business that is struggling in the current economy

• Conduct market analysis to identify local entrepreneurs with compilation in a shared regional database

• Coordinate an entrepreneurial referral process amongst the regional support system members to direct entrepreneurs and individuals in the business development start-up phase to all appropriate local resources regardless of entry point into the system

• Create a process to visit and interview a select number of entrepreneurs for small business needs and wants analysis; compile results to determine regional resource voids and creation of fulfillment strategies

• Create individual and/or group entrepreneurial mentoring program(s) that meets with and guides the entrepreneur’s business start up process, including guidance in the development of business and marketing plans

• Implement a formal business plan review process that critiques and supports an entrepreneur’s written business plan. This review acts as the final step in the entrepreneur’s pre-financing process. The member group’s endorsement is also the financial institution’s notice that the business community has mentored and supports this small business

• Create a mechanism to track entrepreneurial participants’ interaction, progress and success

• Implement a process that encourages entrepreneurs assisted by the regional collaborative entrepreneurial support system to become an active member after starting their business

• Create mechanisms to increase general community awareness and support for entrepreneurial strategies, resources and needs; educate the community about the benefits of homegrown business development and available resources

• Demonstrate a willingness of the regional collaborative entrepreneurial support system members to promote the system internally, externally and through Web site promotional links

• **Explain how the entrepreneurial grant funds will be spent. Opportunities include, but are not limited to: program administration, program development,**
program Web presence creation, underwriting collaborative entrepreneurial partner events for potential and existing small businesses, etc.

- Demonstrate the ability to sustain the regional collaborative entrepreneurial support program after the initial grant-supported inception phase ends

- Demonstrate an understanding that all entrepreneurial concepts, plans and financial information is confidential and for business review, support and development purposes only

- Commit to supplying the Michigan Department of Energy, Labor & Economic Growth/Bureau of Workforce Transformation with quarterly entrepreneurial data: regional resource organizational information; entrepreneurial participant data; business start up data

**Bonus Points**

Entrepreneurship is an integral part of Michigan’s past, present and future. The introduction of entrepreneurial concepts at an early age perpetuates the culture necessary to prepare and inspire youth to succeed and drive local workforce and economic development opportunities. Three (3) bonus points will be awarded for proposals that demonstrate a strategic alignment promoting entrepreneurial career pathways in partnership with the K-12 system.

Applicants will be rated on the work plan’s articulated goals, key strategies that will achieve the goals (including tasks and anticipated timelines), and alignment with benchmarks. The work plan will also be rated on how well it addresses the areas listed above. Additionally, the sustainability plan will also be part of the rating.

**Budget and Budget Narrative (10 points)**

DELEG/BWT will support the formation and ongoing development of Regional Entrepreneurial Collaboratives. DELEG/BWT will provide financial support for managing the individual Regional Entrepreneurial Collaboratives.

The proposal must include:

- Up to a three-year budget that includes the funds requested from the State of Michigan through this RFP and any funds leveraged by the partners. Funds requested from the State of Michigan may be spread over a period not to exceed eighteen (18) months. The Applicant must demonstrate a plan for sustainability.

- A budget narrative that describes how the planned expenses support the overall development of the Regional Entrepreneurial Collaboratives within its first eighteen (18) months. It should include at a minimum:
Department of Energy, Labor & Economic Growth, Bureau of Workforce Transformation
Regional Entrepreneurial Collaborative RFP

- An explanation of direct program costs;
- An explanation of planned contracted services;
- An explanation of “other expenses”; and
- An explanation of leveraged resources that are being brought to the alliance in addition to any requested funding, including identification of the entities providing the leveraged resources and purpose of the resources.

The Budget Narrative must be submitted as an attachment and therefore will not be included in the 20 page limit.

- Identification of a strategy for project sustainability beyond the life cycle of this funding opportunity. Examples might include fundraising activities, in-kind and financial gifts, and fee for service models. Leveraged resources may be used to support the project’s sustainability beyond the period of this award.
- Clear demonstration that the Fiscal Agent is qualified and capable of carrying out fiduciary responsibilities.
- Completed Budget Summary (Attachment A).

Benchmarks and Reporting (10 points)

Effective Regional Entrepreneurial Collaboratives are outcome driven and stimulating regions to create a local culture of entrepreneurship through collaboration is their primary focus. Collaboratives must have a system to capture data to 1) measure performance across activities, 2) drive decision-making, and 3) monitor progress on a regular basis.

The proposal must include the following performance measures:
- Number of organizational Regional Entrepreneurial Collaborative members
- Number of entrepreneurs/small businesses (fewer than 500 employees/$7 million in revenue annually) within the defined collaborative region
- Number of entrepreneurs with existing businesses entering the system
- Number of potential entrepreneurs entering the system
- Number of services received by existing and potential entrepreneurs – and specific types of services provided/received
- Number of new businesses started by entrepreneurs served by the regional collaborative

Format and Submission Requirements

Submit 1 electronic version via email in addition to mailing 4 hard copies. Proposals must be:

- 12-point type, one inch margins, double-spaced, single sided, 8 ½ x 11.
20-page limit (not including Cover Sheet, Budget Summary, Budget Narrative, Partnership Listing, Letters of Commitment, Project Champion’s Résumé/Curriculum Vitae). Please be concise and direct.

Submit an electronic version of the proposal in Microsoft Word (doc) or Adobe Acrobat PDF format by email to deleg-mend@michigan.gov with “Regional Entrepreneurial Collaborative Proposal” and the applicant’s name in the subject line.

Additionally, submit four hard copies of the proposal to the address below via U.S. mail. No electronic copies (disks or flash drives) or faxes will be accepted as hard copies.

Four hard copies should be mailed to:

Ms. Florine Davis, Secretary
Meeting Employer Needs Division
Bureau of Workforce Transformation
Department of Energy, Labor & Economic Growth
Victor Office Center, 3rd Floor
201 North Washington Square
Lansing, Michigan 48913

If any information requested in the RFP is missing, incomplete, or in a format other than identified above, the proposals will not meet threshold criteria and will not be considered. Attachments, other than those specified and required by this RFP, are not permitted. Applications that are duplicative of each other within a region may result in a request for a revised combined application. Applicants are therefore strongly encouraged to assess similar interests in their region prior to submitting an application and, where possible, to jointly submit a proposal.

All questions must be submitted in writing to deleg-mend@michigan.gov. All questions and answers will be posted to the Michigan Skills Alliances website at www.michigan.gov/rsa within five (5) business days of receipt. Please visit the website to see if your question has been answered.

Proposal Review and Evaluation

Proposals received by DELEG/BWT will be evaluated by a joint evaluation committee consisting of staff, management, and other designees appointed by the department. To allow for maximum flexibility and creativity, each section of the proposal will be assigned points based upon the degree that each area is addressed and the appropriateness of the proposal. The point format will be used as a ranking system to prioritize and focus on the most thorough and well thought out proposals. Proposals that score 80% or above for each of the scored sections will be given review priority.
All proposals will be considered and must be open to negotiation and/or modification. The review committee has the option to recommend changes to applicant’s proposals prior to selection.