

PRE-APPLICATION CONFERENCE

MBDA EXPORTING PROJECT

FFO NUMBER: MBDA-OB-2016-2004580

JUNE 6, 2016

2:00 – 4:00PM EDT



**MINORITY BUSINESS
DEVELOPMENT AGENCY**
U.S. DEPARTMENT OF COMMERCE

Grow your business. Build the Nation.

OVERVIEW



- Teleconference Protocol
- Important Dates
- Speakers
- Purpose of Teleconference

TELECONFERENCE PROTOCOL



- Phones should be placed on mute
- Questions are prompted at designated times and coordinated through conference operator
- Teleconference focused on MBDA Exporting Project competition
- Keep questions relevant to the topic at hand
- Avoid duplicating questions

IMPORTANT DATES



- CFDA #11.802, Minority Business Resource Development
- Competition
 - Published Date: May 23, 2016
 - Deadline Date: July 5, 2016 at 11:59 P.M., E.D.T.
- Applications must be received by deadline
- Electronic applications only
- Anticipated Award
 - Start Date: September 1, 2016

NATIONAL DIRECTOR & CHIEF COUNSEL



Alejandra Y. Castillo
National Director



Josephine Arnold
Chief Counsel

SPEAKERS – OFFICE OF BUSINESS DEVELOPMENT



-  Efrain Gonzalez, Jr., Associate Director
Office of Business Development
-  Joann J. Hill, Chief
Office of Business Development
-  Nakita Chambers, Program Manager
Office of Business Development

PURPOSE OF TELECONFERENCE



- 1) Educate potential applicants about the FFO and pertinent background**
 - Agency background
 - Business case for the MBDA Exporting Project
 - Project objectives
- 2) Clarify requirements contained in the Federal Funding Opportunity (FFO) announcement**
 - Project
 - Competition
- 3) Tips**
- 4) Answer questions related to the solicitation**

BUSINESS CASE FOR MBDA PROGRAMS



- **Changing Demographics:** In 2050, minorities will represent 54% of total U.S. population. Today, minorities represent over 38% of overall U.S. population. The U.S. needs strong minority-owned firms to achieve maximum economic growth.
- **Economic Parity:** If minority firms were to contribute 38% of economic activity the U.S. could realize the creation of 16 million additional jobs, generation of an additional \$2.5 trillion in gross receipts, and unrealized tax base exceeding \$100 billion per year.
- **Strengthening the U.S. Economy:** Minority-owned firms create job opportunities for all Americans; MBEs tend to be generally more balanced in hiring minority and non-minority persons.
- Data on MBE propensity to engage in international trade.

MINORITY EXPORTERS: CHARACTERISTICS AND STRATEGIES FOR NEW BUSINESS EXPANSION



Quick Stats according to a recent study conducted by the U.S. Census Bureau, 2010 American Community Survey; Census Briefs released May 2011 – March 2012

Minority-Owned Firms Lead the Nation in Exporting

- Minority-Owned firms are six times more likely to conduct business in a language Other than English compared to non-minority owned firms.
- Minority-Owned firms are More likely to export than Non-Minority Firms regardless of firm size.
- Among firms generating 50% to 100% of their annual \$1 million plus sales through exports, minority-owned firms were four times (4.2%) as likely to export compared to non-minority firms (1%).
- Minority-Owned firms have strong export capabilities across industries.
- Minority-Owned firms are more likely to have global operations.
- Minority-Owned firms enhance U.S. Global Competitive Advantage.
- Minority-Owned firms export activity spanned 41 countries, according to data from the U.S. Export Import Bank on export activity between 1992 and 2009.

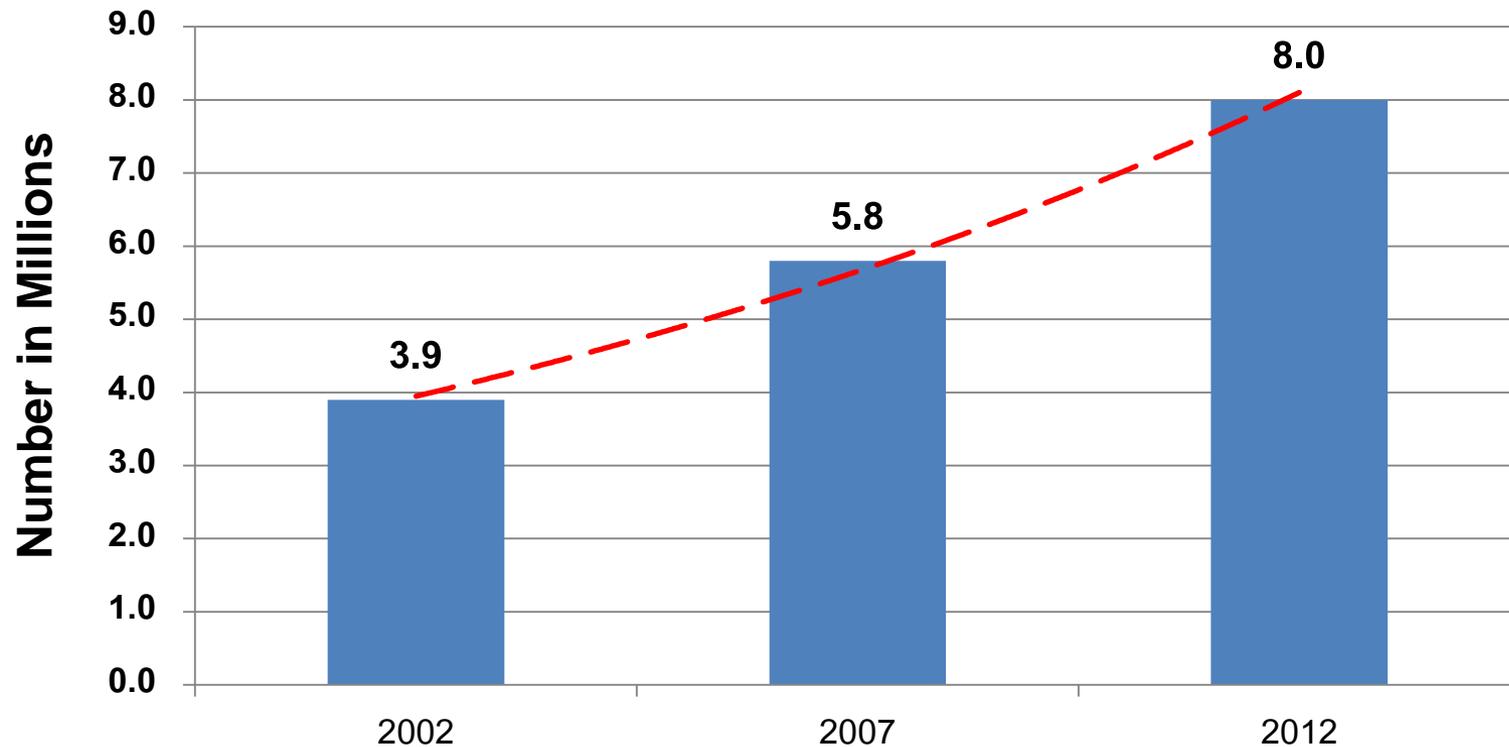
*Additional source reference - MBDA Publications
Minority Exporters: Characteristics and Strategies for New Business Expansion*

Minority Business Enterprises - Growth Trend



The number of minority firms more than doubled

Minority Firms



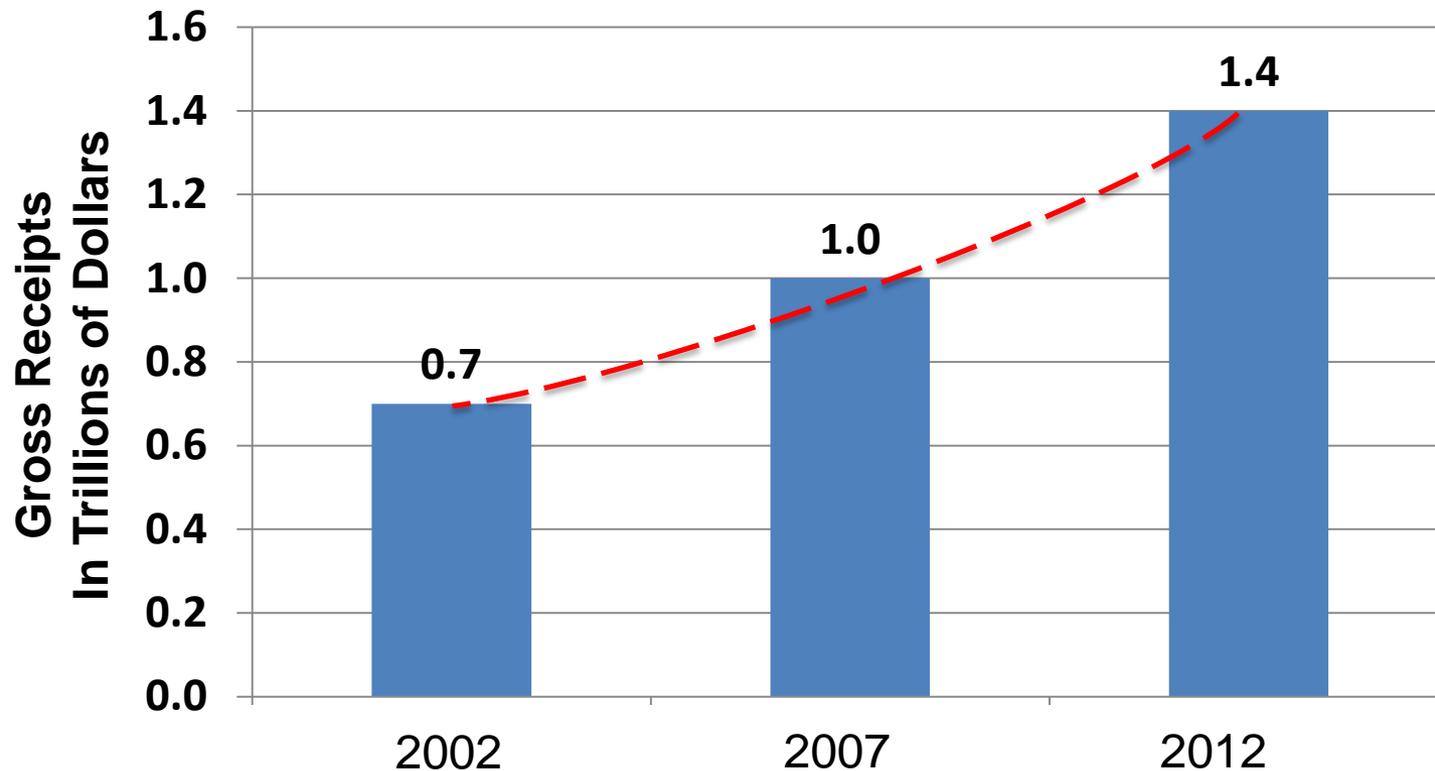
Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

Minority Business Enterprises - Economic Contribution Trend



Economic activity of minority firms doubled

Minority Firms

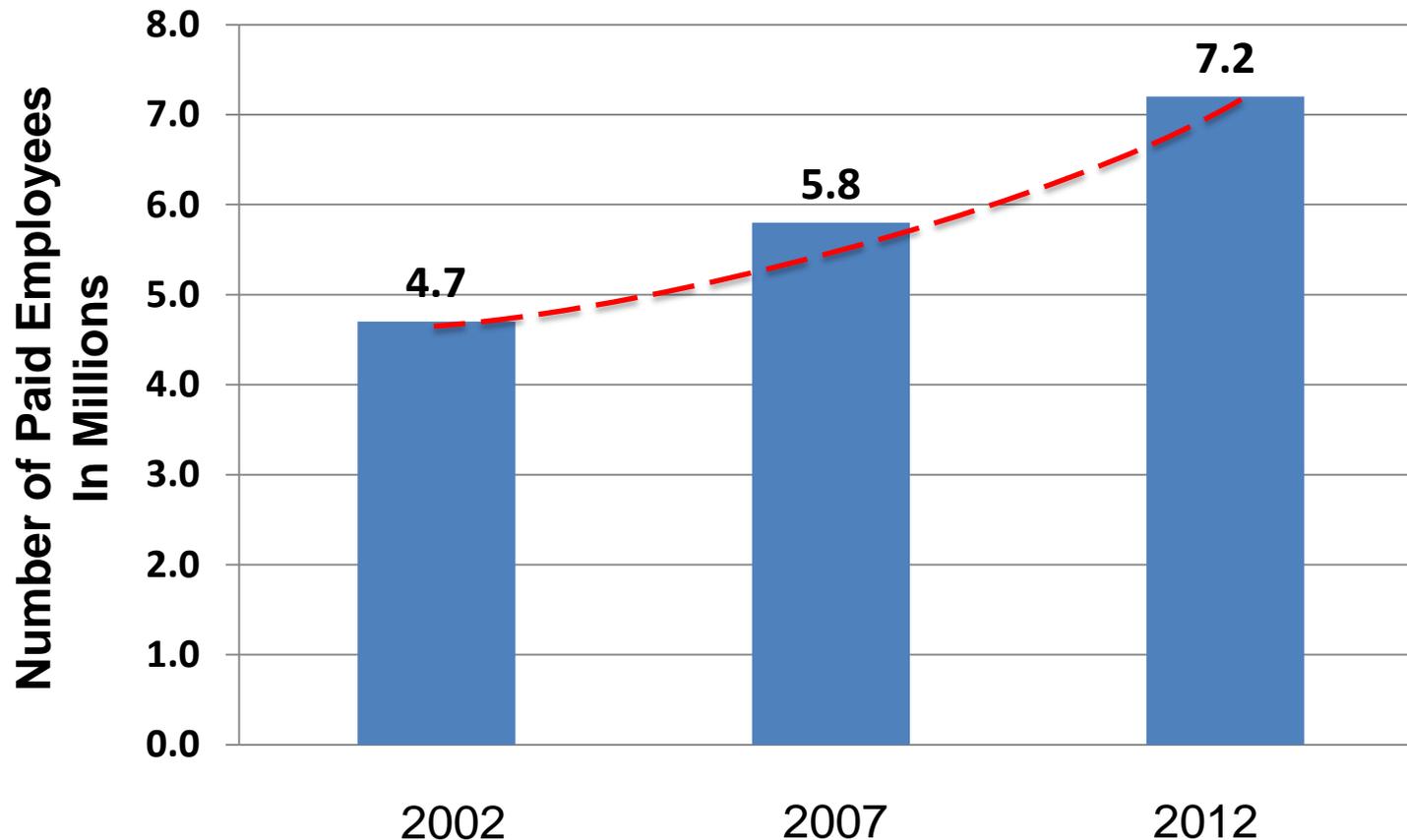


Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

Minority Business Enterprises - Employment Contribution Trend



Minority Firms

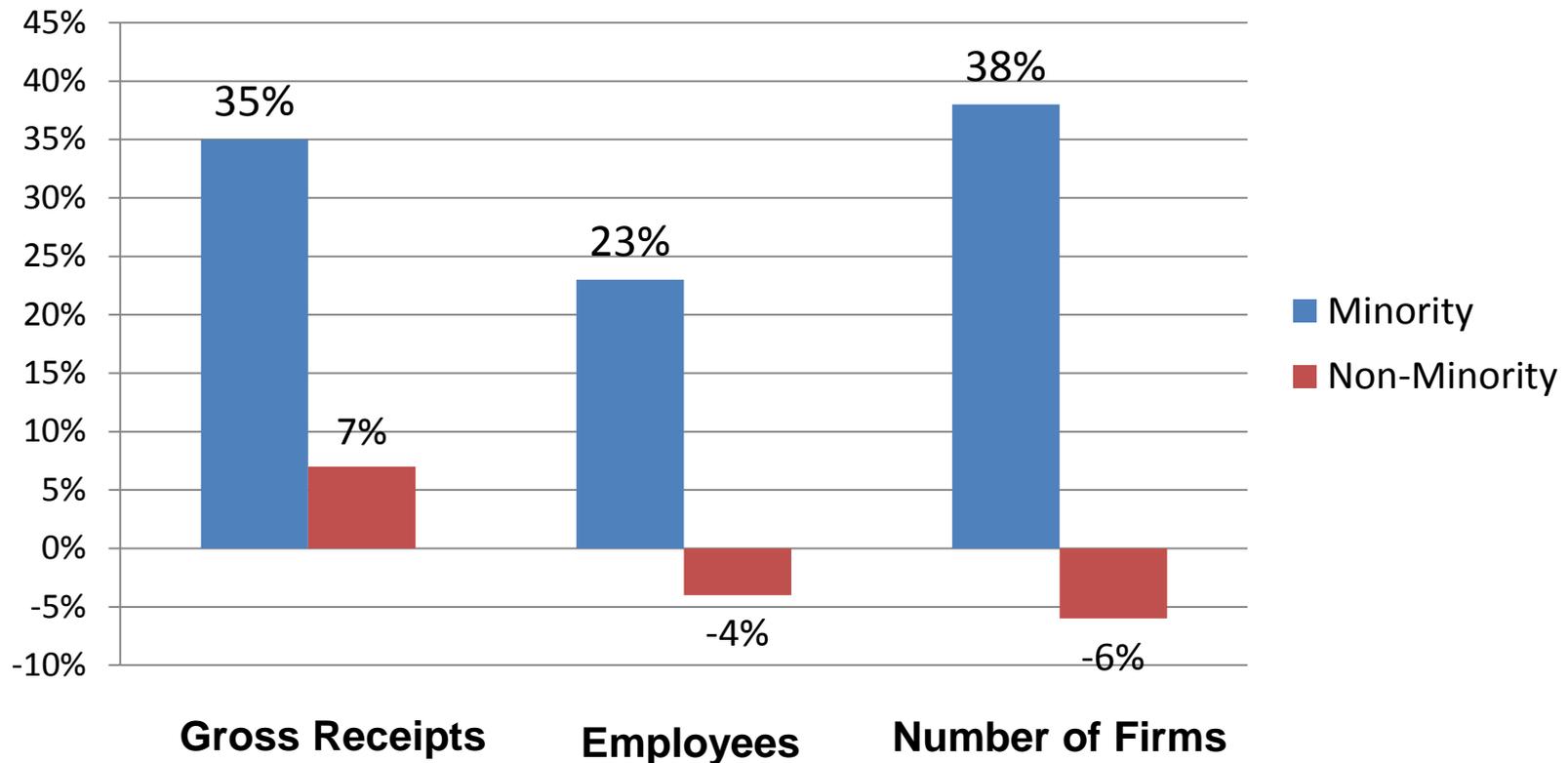


Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

Minority Business Enterprises - Comparison of Growth Rates



2007-2012 Growth Rate Comparison

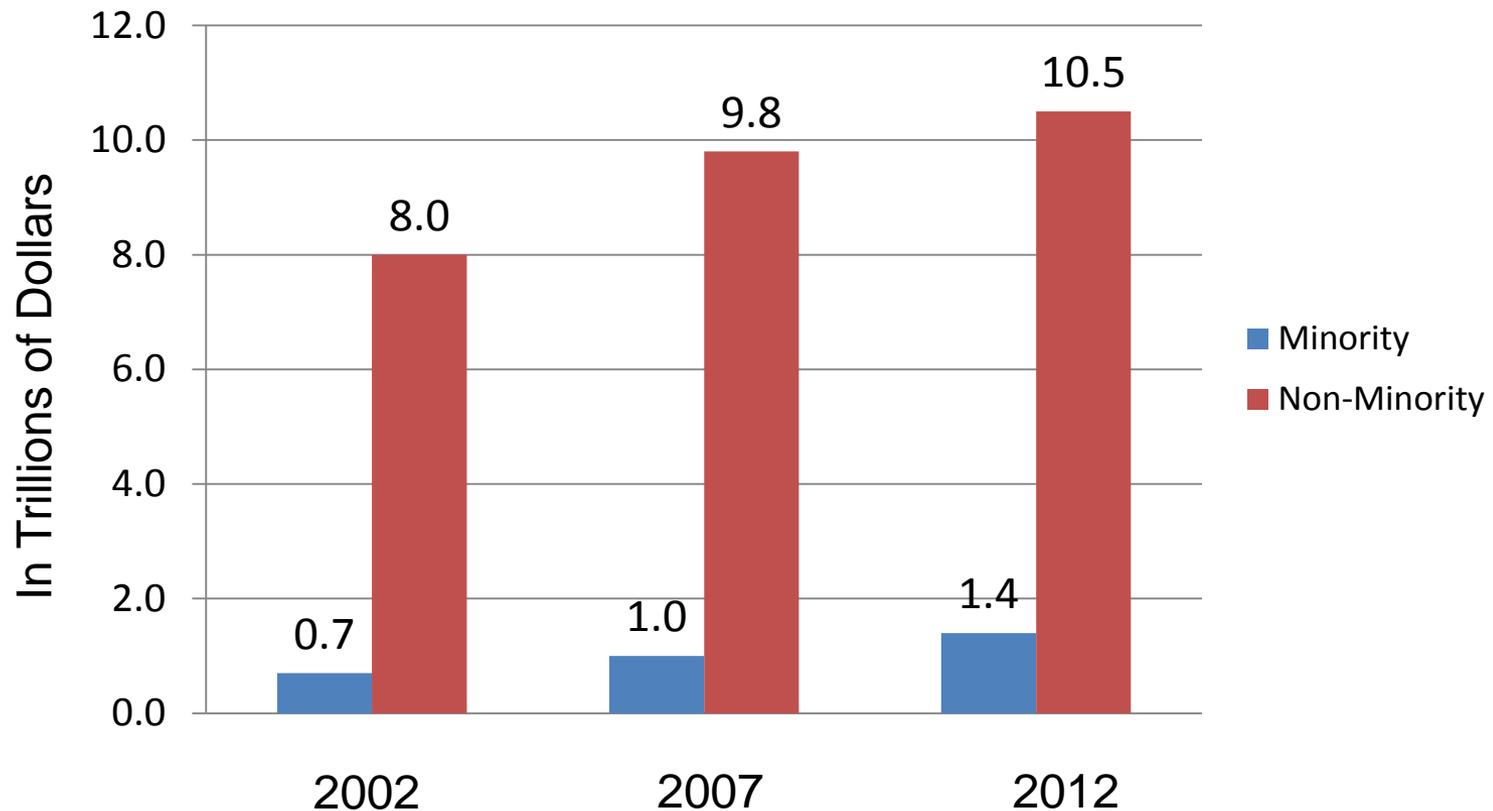


Source: U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

Minority Business Enterprises – Comparison by Gross Receipts



Combined Gross Receipts



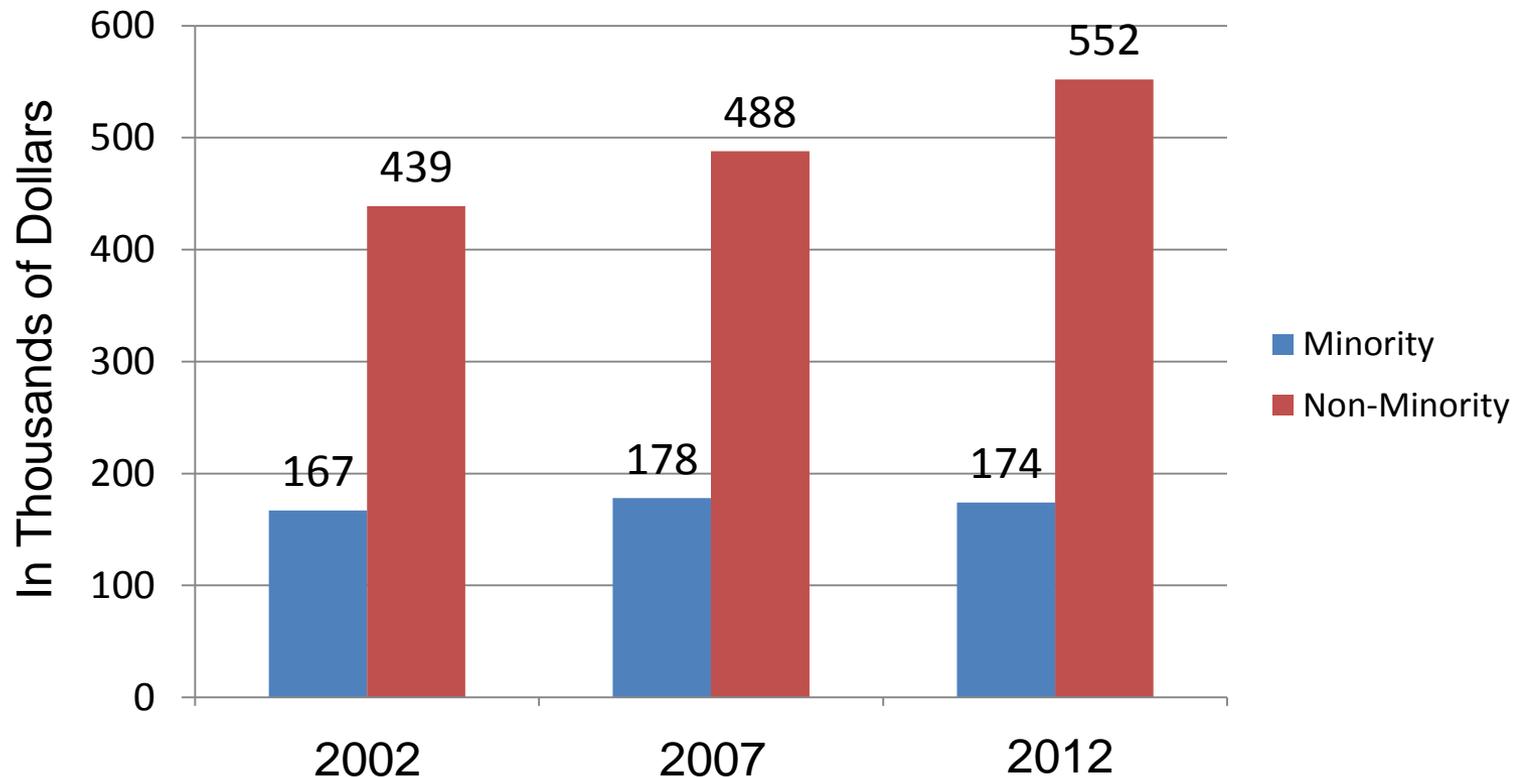
Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

Minority Business Enterprises - Comparison of Average Receipts



Minority firms continue to lag in size when compared to non-minority firms

Average Gross Receipts

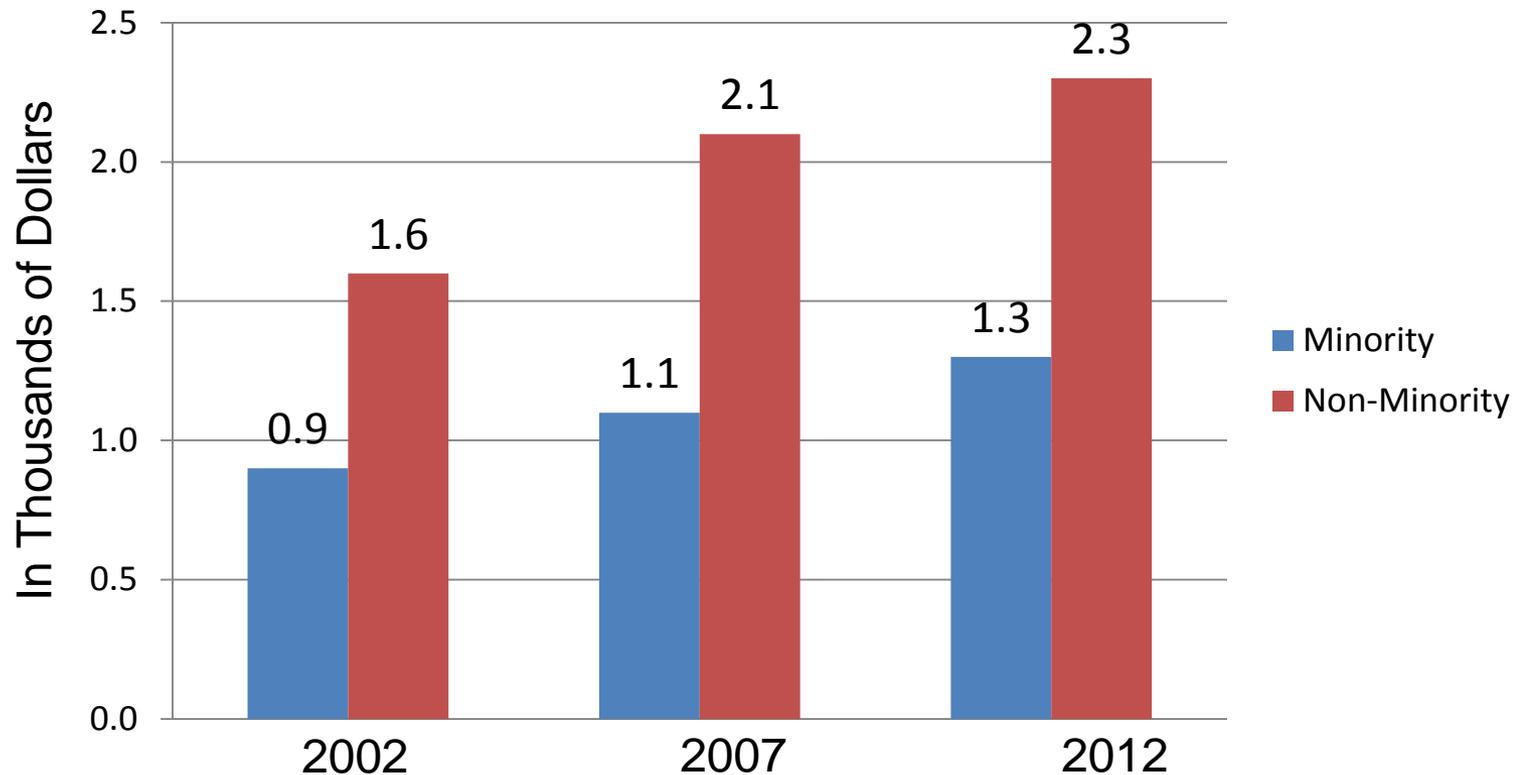


Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

Comparison of Average Receipts by Employment Firms



Average Gross Receipts - Firms with Employees

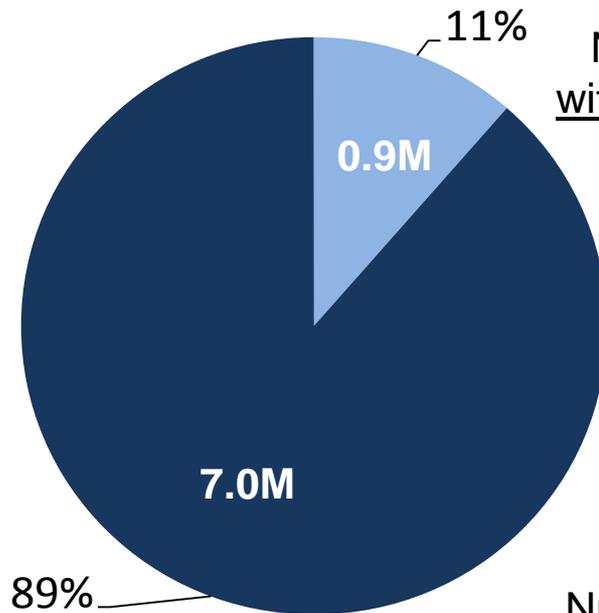


Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

Comparison of Employment Share

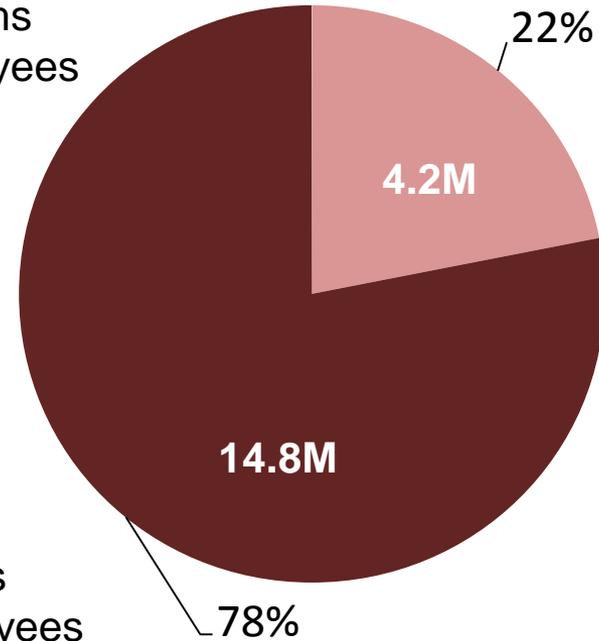


Minority Firms



Number of firms with paid employees

Non-Minority Firms



Number of firms without paid employees

Source: U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

IMPACT & OUTCOMES OF MBDA PROGRAMS FOR FY '14



MBDA's Impact Areas are measured by:

- New Jobs Created
- Jobs Retained
- Dollar Value of Financing Transactions Awarded
- Dollar Value of Contracts Awarded
- Export and Manufacturing Transactions

FY 2014, MBDA created:

- Nearly 27K Jobs
- \$1.9 billion – Financial Transactions (Capital)
- \$4.0 billion – Contracts & Procurements

AGENCY BACKGROUND



- **Vision**
Economic prosperity for all American businesses.
- **Mission**
To foster the growth and global competitiveness of U.S. businesses that are minority-owned.
- **Strategic Focus & Objective**
 - Access to Capital
 - Access to Contracts
 - Access to Markets
 - Advocacy and Outreach
 - Research and Policy

MBDA's 45 YEARS

In March 1969 President Nixon signs Executive Order 11458 creating the Office of Minority Business Enterprise (OMBE) and the Advisory Council for Minority Business Enterprise.



1971

The first Survey of Minority Owned Business Enterprises is published by the U.S. Census Bureau.



1973

OMBE decentralizes and establishes five regional offices and 13 district offices.



1979

The Minority Business Development Center program became the primary method for delivering technical and management services.

MBDA serves 94 Metropolitan Statistical Areas. An Information Center is created to collect, publish and disseminate data to MBEs.

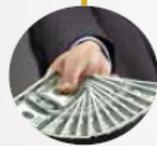


1983

MBDA creates a National Franchise Program, adds funding for the Native American Business and Trade Association, and funds the Cities in School program to provide training to increase youth entrepreneurial skills.



1969



President Nixon signs Executive Order 11625 and expands the scope of MBDA by authorizing grants to public and private organizations to provide technical and management assistance to MBEs.

1972



OMBE establishes a national business service network and provides seed funding for minority advocacy organizations, such as the National Minority Purchasing Council (now known as the National Minority Supplier Development Council), Hispanic Chamber of Commerce, National Economic Development Association (NEDA), Chicago Economic Corporation and the National Council of La Raza.

1974



The Office of Minority Business Enterprise becomes the Minority Business Development Agency.

1981



President Ronald Reagan signs Executive Order 12432 giving the Department of Commerce and the U.S. Small Business Administration, in consultation with the Cabinet Council on Commerce and Trade, broad authority to oversee the establishment, preservation and strengthening of federal minority business enterprise programs.

1989

President Reagan signs a Presidential Proclamation designating the first week of October as Minority Enterprise Development Week (MED Week).

1969-2014

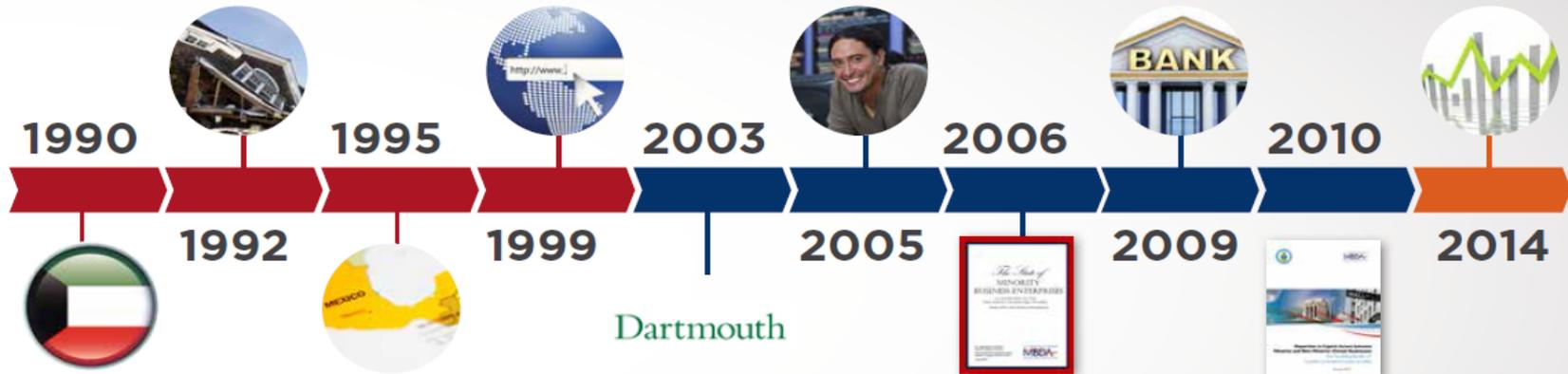
Following the riots in Los Angeles, MBDA assembles a roundtable of federal, state, and local government organizations to coordinate and support disaster recovery for local minority businesses.

The MBDA Internet portal is developed to offer online, interactive business development tools like the Business Plan Writer and matchmaking via the Phoenix-Opportunity Database.

The Office of Native American Entrepreneurship and Trade is created at MBDA to help Native American entrepreneurs and business owners raise revenue, generate jobs, and achieve economic self-sufficiency.

As the economy continues to present challenges for minority businesses, access to capital is a primary focus. MBDA engages financial service companies, subject matter experts, stakeholders, and MBEs to address the capital needs of the minority business community.

MBDA commissions new research on minority exporters and alternative finance.



Following the first Persian Gulf War, MBDA and the International Trade Administration send a delegation of MBEs to meet with the Crown Prince of Kuwait, the first U.S. trade mission to Bahrain. The success of this mission leads to other ITA missions with MBEs to South America, Asia, Africa, and the Caribbean.

MBDA executes a memorandum of understanding with the International Trade Administration and participates in several trade missions that create opportunities for exports to Mexico, Canada, South Africa, Trinidad and Tobago, the Dominican Republic, and Peru.

Dartmouth

MBDA partners with Dartmouth College, Tuck School of Business to provide executive training to MBEs and to write reports.

MBDA issues a report, "Globalization and Minority-Owned Businesses in the United States: Assessments and Prospects," which shows minority businesses should begin to think about expanding globally.

MBDA releases the State of Minority Business Enterprise. The report concludes that minority firms with annual receipts of \$500,000 or more generated a much larger percentage of all minority revenues and paid employees — compared to minority firms with annual gross receipts under \$500,000.

MBDA launches the Strategic Growth Initiative.

MBDA releases the report, "Disparities in Capital Access Between Minority and Nonminority-Owned Businesses: The Troubling Reality of Capital Limitations Faced by MBEs." The report provides new findings on disparities in capital access.

PROGRAM PRIORITIES



- The primary drivers of the Project are: capacity building and job creation & retention resulting from facilitating global contracts and trade financing for medium-sized minority-owned businesses.
- Project services include (but are not limited to); the development of a pool of global contract and trade finance opportunities
- direct matching of opportunities with qualified/vetted MBEs
- relationship management and deal sourcing initiatives (such as but not limited to industry clusters)
- facilitating MBE growth through exports (identifying global markets and financing)
- identifying, matching and securing alternative sources of capital and trade financing
- educating MBEs on the benefits of strategic growth alternatives (*e.g.*, joint ventures, teaming arrangements, and others vehicles to enhance business capacity)
- developing business to-business matching forums
- creating trade promotion opportunities for MBEs in the target markets
- MBE advocacy and providing service referrals to MBEs of all sizes

PROGRAM AUTHORITY



MBDA is authorized in accordance with Executive Order 11625 and 15 U.S.C. 1512, to solicit competitive applications from eligible organizations

MBDA CLIENTS



- MBDA serves all minority clients regardless of size
- Firms eligible for MBDA services are: African Americans, Alaska Natives, Asian Americans, Hasidic Jewish Americans, Hispanic Americans, Native Americans, Native Hawaiians, and Pacific Islanders

PROJECT CLIENTS



- Special emphasis will be placed on MBE firms with one or more of the following characteristics:
 - Revenues of \$1million or more
 - Participant in high-growth industries
 - Export capacity or potential
 - Rapid Growth Potential
- The Project will serve MBEs of all sizes; start-ups and/or micro firms will be served via strategic partner referrals or electronic service delivery mechanisms

AWARD INFORMATION



Funding Availability:

- The total funding period for the awards made under this solicitation is three (3) base years and two (2) optional years. Funding for the initial year of this Project has been appropriated, but MBDA expects a total of **\$1,000,000** per year to fund the financial assistance awards for the operation of four (4) MBDA Exporting Project awards identified in this FFO through FY 2021.

Period of Performance:

- Awards are anticipated to be made with a start date of September 1, 2016. The period of performance under this solicitation is five years, consisting of one base period (three consecutive years) and optional (two program year) periods.

Type Funding Instrument:

- Financial assistance awards in the form of cooperative agreements will be used to fund four (4) MBDA Exporting Projects.

Notification of Award:

- Anticipated time for processing the awards is approximately ninety (90) days from closing date for receipt of applications.
- MBDA anticipates awards will be made with a start date of September 1, 2016.

ELIGIBILITY INFORMATION



Eligible Applicants:

- For profit entities (including but not limited to sole-proprietorships, partnerships, limited liability companies and corporations), non-profit organizations, state and local government entities, Native American Tribes and educational institutions are eligible to apply to operate MBDA Exporting Project.
- Successful applicants will possess experience in assisting minority firms in obtaining large scale contracts/procurements and financing awards; accessing established global supply chains; educating and assisting minority firms in joint ventures, teaming arrangements, mergers and acquisitions, minority business advocacy; and, facilitating entry and large scale transactions in global markets. It is also anticipated that the mission of successful applicant organizations will align with both the mission of MBDA and the MBDA Exporting Project objectives.

COST SHARING OR MATCHING REQUIREMENT



- “Cost sharing or matching” is the portion of project costs not paid by Federal funds; these costs are provided by the Project operator or Project as direct or in-kind contributions
- Beyond the generation of Exporting Project income (if proposed), applicants may contribute (although not required), additional non-federal cost share to the award by one or more of the following methods:
 - Applicant cash contributions
 - Applicant in-kind contributions (e.g. non-cash)
 - Third-party cash or in-kind contributions (including a state or local grant or other form of support for the project. **Note:** All cost sharing or matching must be consistent with the requirements of 2 CFR 200.306

STRATEGIC PARTNERS



- Establish relationships that directly leads to transactions, jobs, or assisting our target MBEs to achieve size and scale, and/or globalization with a minimum of five entities
- Assist the Project with achieving performance goals, including, but not limited to serving as a referral source to assist start-up and early stage MBEs
- Provide a service and/or opportunity to MBEs served by the Project
- Synchronize outreach efforts
- Foster collaboration

PRIMARY PERFORMANCE ELEMENTS



- Number of Jobs Created
- Number of Jobs Retained
- Total Value of Awarded Transactions
- Total Number of Awarded Transactions
- Dollar Value of Awarded Contracts and Procurements
- Number of Awarded Contracts and Procurements
- Dollar value of Awarded Financial Transactions
- Number of Awarded Transactions
- Number of MBEs referred to ITA
- Number of Strategic Transactions Facilitated
- Total Number of Clients Served
- Number of Existing Clients Served
- Number of Advocacy Initiatives Facilitated
- Service Optimization Assessment
- Eligible Bonus Items:
 - ❑ MBDA Special Initiatives
 - ❑ Collaboration with MBDA
 - ❑ Business-to-Business Events

TRADEMARK AND LICENSING



- Use of MBDA branded logo is required
- This project will not be permitted to maintain an individual website; MBDA will host center web page on the agency's portal
- MBDA Business Center Trade Mark TM must be cited
- Publication guidance for signage, stationary and publications will be provided
- Guidance on communication will also be provided

CLARIFICATION OF REQUIREMENTS



- **General Submission Requirements**
 - All applications must be submitted electronically through www.Grants.gov
 - Application must be submitted by an Authorized Organizational Representative (AOR)
 - Applicants **MUST** review and adhere to the full FFO

CLARIFICATION OF REQUIREMENTS



Application Requirements*

A full application will address all five (5) funded periods (last two (2) years are optional) and include the following major components:

- Cover Page and Table of Contents
- Narrative
- Required Narrative Attachments
- Budget
- Bonus Points – Non Federal Cost Share in Excess of Minimum
- Standard Forms
- Application Submission Checklist

All pages of the proposal must be consecutively numbered

**Note, failure to adhere will result in deduction of points*

CLARIFICATION OF REQUIREMENTS



Narrative – Capability

(35 points)

- Organizational Background and Knowledge of Community and Exporting
- Mission Alignment
- Access to Markets
- Access to Trade Finance
- Global Business Consulting to Clients
- Key Staff
- MBE Advocacy

CLARIFICATION OF REQUIREMENTS



Narrative – Resources (15 points)

- Partners
- Other Resources
- Location/Equipment

CLARIFICATION OF REQUIREMENTS



Narrative – Techniques and Methodologies (25 points)

- Performance Measures
- Start-up Phase
- Work Requirements Execution Plan

CLARIFICATION OF REQUIREMENTS



Proposed Budget and Budget Narrative (25 points)

Budget Detail and Narrative Evaluation Criteria	Points
Reasonableness, Allowability, and Allocability of Proposed Program Costs	10
Performance-Based Budgeting	5
Program Budgeting	10
Budget Detail and Narrative Total	25

- Generation of program income is highly recommended
- Program income is the gross income earned by the grantee that is generated directly by a grant supported activity or earned as a result of the grant

CLARIFICATION OF REQUIREMENTS



Proposed Budget and Budget Narrative (cont'd)

- Program income includes, but is not limited to, income from fees charged to clients for services performed
- Applicants have flexibility in choosing the mechanism for generating program income
- Discuss the methods for charging and collecting fees, including policy for waiver of fees
- Minimum cost share is not mandatory, but is encouraged; cost share may be comprised of any combination of the following:
 - Program Income (recommended)
 - Applicant cash contributions
 - Applicant in-kind (i.e., non-cash) contributions
 - Third-party cash or in-kind contributions

CLARIFICATION OF REQUIREMENTS



Proposed Budget and Budget Narrative (cont'd)

- A detailed and signed letter from any/all 3rd party contributors must be scanned and submitted with the proposal
- Indirect costs are limited to the lesser of:
 - The negotiated indirect cost rate approved by the applicant's cognizant federal agency
- If indirect costs are being proposed by the applicant, and the applicant has an approved negotiated indirect cost rate agreement, a copy of the agreement must be included with the proposal package

CLARIFICATION OF REQUIREMENTS



Bonus Points Items (10 points optional)

- Bonus Points for Non-Federal Cost Share (optional)
- Applications are encouraged to proposal non-federal cost share. A maximum of ten (10) bonus points are available under this criterion as follows:

Cost Share Proposed	Bonus Points	Cost Share Proposed	Bonus Points
\$10,000-\$19,999	1 bonus point	\$60,000-\$69,999	6 bonus points
\$20,000-\$29,999	2 bonus points	\$70,000-\$79,999	7 bonus points
\$30,000-\$39,999	3 bonus points	\$80,000-\$89,999	8 bonus points
\$40,000-\$49,999	4 bonus points	\$90,000-\$99,999	9 bonus points
\$50,000-\$59,999	5 bonus points	\$100,000 or more	10 bonus points

CLARIFICATION OF REQUIREMENTS



Forms

- The application must contain the following Standard Forms (SF):
 - SF 424, Application for Federal Assistance (one form to cover all funding periods)
 - SF 424A, Budget Information Non-Construction Programs (one form to cover each funding periods for a total of 5)
 - SF 424B, Assurances Non-Construction Programs (one form to cover all funding periods)
 - SF LLL, Disclosure of Lobbying Activities (one form to cover all funding periods)
- The application must contain the following Department of Commerce (CD) form:
 - CD 511, Certification Regarding Lobbying (one form to cover all funding periods)

APPLICATION SUBMISSION INFORMATION



- Application Overview
- Content and Form of Application Submission
- Unique Entity Identifier and System for Award Management (SAM)**
- Submission Dates and Times
- Intergovernmental Review
- Funding Restrictions
- Other Submission Requirements

APPLICATION REVIEW INFORMATION



- Evaluation Criteria
- Review and Selection Process
- Federal Awarding Agency Review of Risk Posed by Applicants
- Anticipated Announcement and Award Dates

FEDERAL AWARD ADMINISTRATION INFORMATION



- Federal Award Notices
- Administrative and National Policy Requirements
- Reporting

MBDA CONTACT INFO FOR Q&A



MBDA Q&A email:
mbdabusinesscenters@mbda.gov

**Frequently Asked Question (FAQ's) can be
found on the MBDA website at
www.mbda.gov**

AGENCY CONTACT



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OTHER INFORMATION



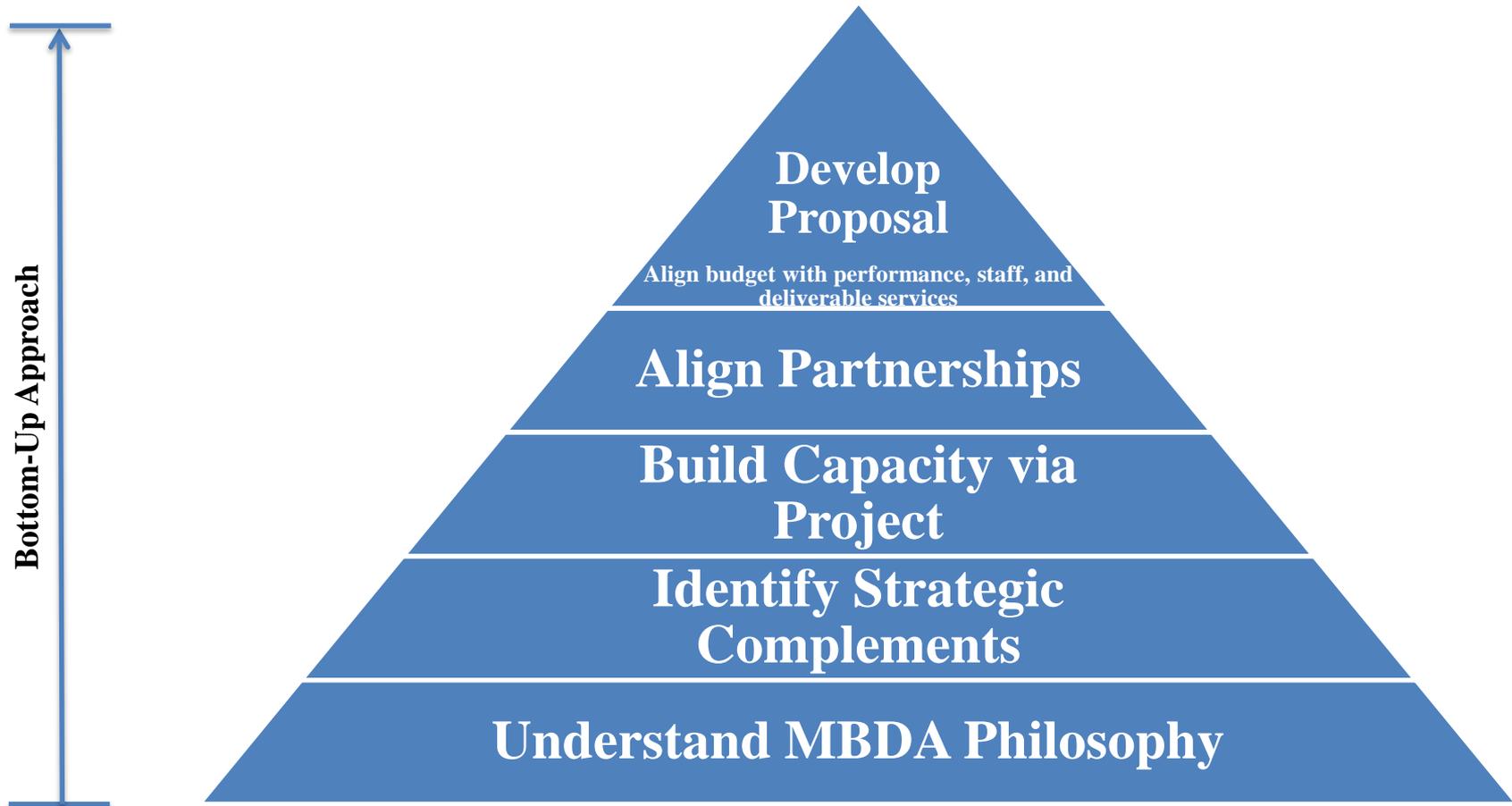
- Post Award Conference
- Past Performance and Non-Compliance with Award Provisions
- Limitation of Liability
- Audit Costs
- Freedom of Information Act Disclosure

APPENDICES OVERVIEW



- Funding Availability
- Performance Goals
- Performance Measures and Points
- Definitions and Key Terms
- Information Technology and Computer Requirements
- Training Requirements and Definitions
- Application Checklist
- Representation by Corporations Regarding and Unpaid Delinquent Tax Liability or a Felony Conviction Under Federal Law
- Office and Space Requirements
- Work Requirements
- Trademark and Licensing Requirements

STRATEGY FOR COMPETITION



**THANK YOU FOR YOUR PARTICIPATION &
GOOD LUCK!**



Please adhere to operator
instructions to ask questions.

Thank you