

# Minority Business Development Agency Business Center Program

Pre-Application Conference

December 14, 2011

# Overview

---

Teleconference Protocol

Important Dates

Speakers

Purpose of Conference

# Teleconference Protocol

---

- Many callers at one time
- Phone automatically placed on mute
- Questions are prompted at designated times and coordinated through conference operator
- Teleconference focused on MBDA Business Center competition
- Keep questions relevant to topic at hand
- Avoid making statements
- Avoid duplicating questions

# Important Dates

---

- CFDA #11.805, MBDA Business Center program
- Competition
  - Start Date                      December 8, 2011
  - End Date                              January 17, 2012  
11:59 P.M., E.S.T.
- Applications must be received by deadline
- Electronic applications only
- Anticipated Award
  - Start Date                              April 1, 2012

# Speakers

---

Holden Hoofnagle, Chief, Office of Business Development

Cynthia Rios, Program Management Unit Supervisor

Carmen Chairez, Senior Program Analyst

# Purpose of Teleconference

---

- Agency background
- Business case for MBDA Business Center program
- Program objectives
- Clarify requirements contained in the Federal Funding Opportunity (FFO) announcement
  - Program
  - Competition
- Strategy for competition
- Answer questions related to the solicitation

# Agency Background

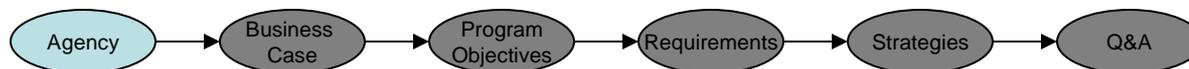
---

## Vision

MBDA's vision is economic prosperity for all American business enterprises

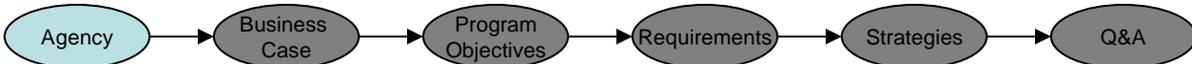
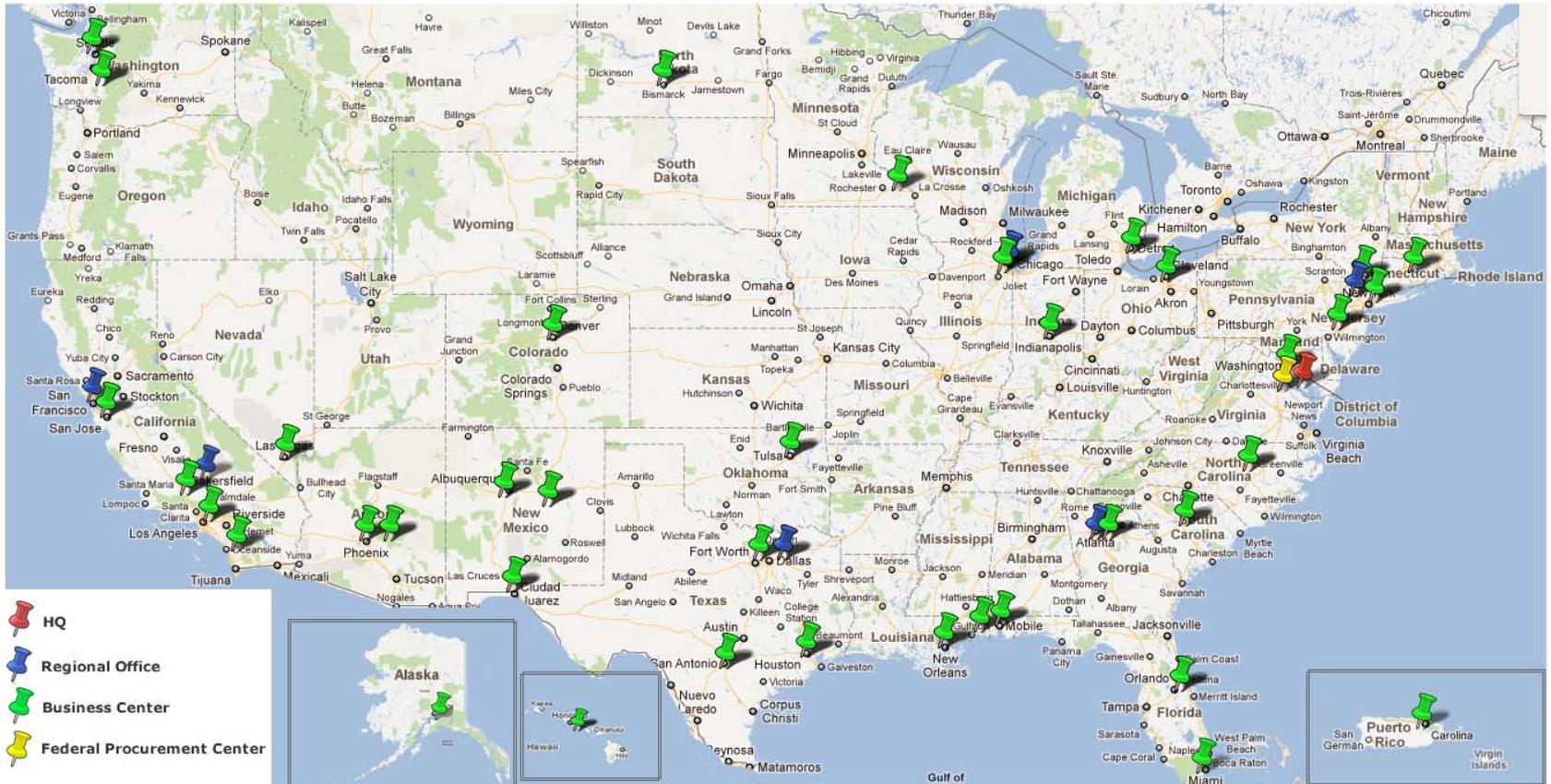
## Mission

To foster the growth and global competitiveness of U.S. businesses that are minority-owned



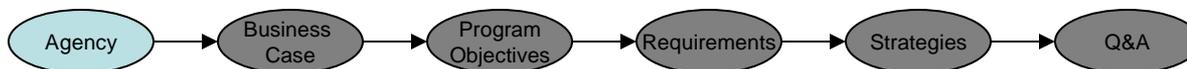
# MBDA Service Delivery System

## Supporting minority businesses through a nationwide network



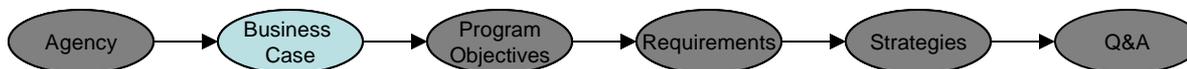
# Our Clients

- MBDA serves all minority clients regardless of size
- The core MBDA client is a firm that generates \$1,000,000 (+) in annual revenue or with rapid growth potential
- Minority firms eligible for MBDA services are: African Americans, Alaska Natives, Asian Americans, Hasidic Jewish Americans, Hispanic Americans, Native Americans, Native Hawaiians, and Pacific Islanders



# Business Case for Program

- The U.S. needs strong minority-owned firms to achieve maximum economic growth
- The nation is failing to reap the benefits of economic parity – the creation of 16 million jobs, generation of \$2.5 trillion in gross receipts and unrealized tax base exceeding \$100 billion per year
- Minority firms have the potential to contribute significantly to the balance of trade
  - Minority businesses are twice as likely to generate sales through exports compared to non-minority firms
- Minority-owned firms create job opportunities for all Americans; MBEs tend to be generally more balanced in hiring minority and non-minority persons
- In 2050, minorities will represent 54% of total U.S. population
- MBDA is a catalyst to build minority-owned firms of size, scale and capacity

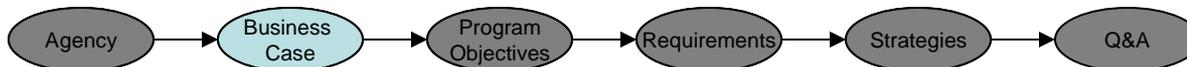


# Business Case for Program (cont'd)

Summary of Business Statistics by Group – 2007

Group	Percentage of Classifiable Firms	Percentage of Total Gross Receipts	Percentage of All Paid Employees
African American	7 % (1,921,907)	1% (\$137.4 billion)	2% (920,128)
American Indian & Alaska Native	0.9 % (237,386)	0.3% (\$34.5 billion )	0.3% (191,472)
Asian	6% (1,552,505)	5% (\$513.9 billion)	5% (1,935,688)
Hispanic	9% (2,260,309)	3% (\$345.2 billion)	3% (1,932,243)
Native Hawaiian & Other Pacific Islander	0.1% (38,881)	0.1% (\$7 billion)	0.1% (43,187)
<b>All Minorities</b>	<b>22% (5,762,940)</b>	<b>9% (\$1 trillion)</b>	<b>10% (5,916,651)</b>
Classifiable Firms (U.S. firms w/o publicly held)	100% (26,306,316)	100% (\$11.0 trillion)	100% (57,356,178)

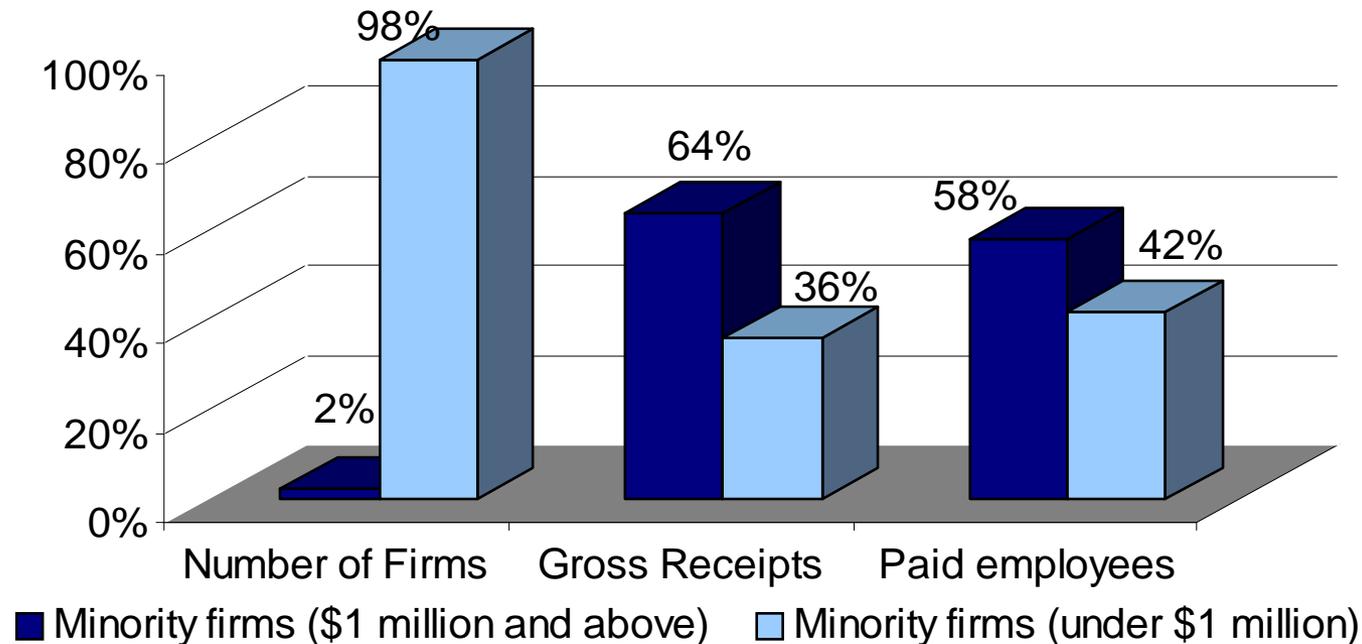
Source: MBDA's analysis of U.S. Census Bureau's *2007 Survey of Business Owners*, data released in July 2010 and September 2010. Classifiable Firms are all U.S. firms less publicly held, foreign-owned, non-profit and other firms whose ownership cannot be classified in terms of race, ethnicity, or gender.



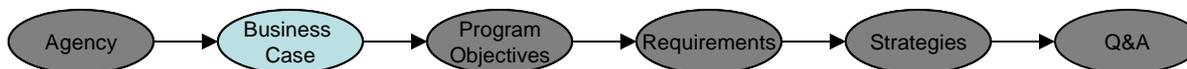
# Business Case for Program (cont'd)

## Larger Minority Firms vs. Smaller Minority Firms, 2002

While smaller in number, minority firms with receipts of \$1 million or more generate a much larger percentage of all minority revenues and paid employment than firms with receipts under \$1 million:



Source: U.S. Census Bureau, 2002 Survey of Business Owners, August 2006



# Business Case for Program (cont'd)

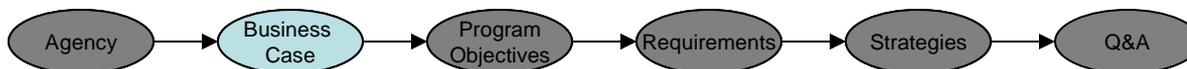
MBDA's performance criteria is based on:

- **New Jobs Created**
- **Dollar Value of Contracts Awarded**
- **Dollar Value of Financing Transactions Awarded**

FY 2010,\* MBDA has created:

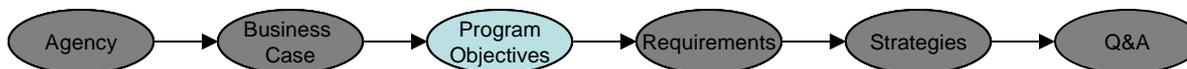
- **6,397 New Jobs**
- **\$3.9 Billion in Contracts and Financing**

Fiscal Year	Agency Funding	Total Contracts & Financial Opportunities Awarded to date	New Jobs Created to date	Return on Agency Investment (ROAI) to date
FY 2010	\$31.5 M	\$3.9 B	6,397	125x
FY 2009	\$29.8 M	\$3.0 B	4,134	101x
FY 2008	\$28.5 M	\$2.1 B	5,316	74x
FY 2007	\$29.9 M	\$1.8 B	3,506	59x
FY 2006	\$29.8 M	\$1.6 B	4,254	54x
FY 2005	\$29.8 M	\$1.6 B	2,270	54x
FY 2004	\$29.7 M	\$1.6 B	n/a	54x



# Program Objectives

- The primary objective of the MBDA Business Centers is to provide strategic business consulting services that will result in increased financing, public and private sector contract opportunities and related awards to minority businesses
- Each MBDA Business Center is strategically located in areas with significant levels of minority population and minority-owned firms
- MBDA Business Centers are not limited by geographic region and may serve minority businesses in all fifty states and Puerto Rico
- The services offered will create and retain jobs at minority-owned firms
- MBDA Business Centers must collaborate with other MBDA funded centers, staff and strategic partners to serve minority-owned businesses and achieve program goals



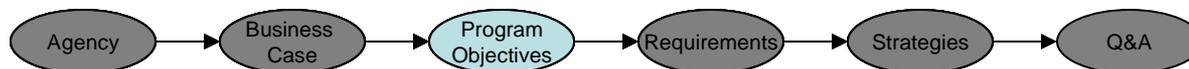
# Program Objectives (cont'd)

## *Program Objectives*

- Expand the growth and global competitiveness of MBE firms by providing contract sourcing, financial brokering and business development services
- The program focuses on securing large public/private contracts and financing transactions, and facilitating entry to global markets through greater and stronger strategic partnerships
- Focus on deal making

## *Target Clients*

- Special emphasis will be placed on MBE firms with one or more of the following characteristics:
  - Revenues over \$1 million
  - Participant in high-growth industries
- Centers will serve MBEs of all sizes; start-ups and smaller firms served electronically and/or by strategic partner (via referral)



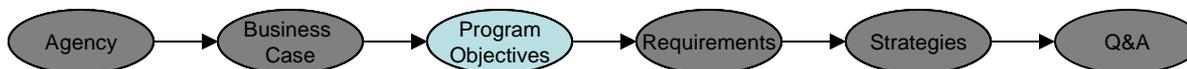
# Program Objectives (cont'd)

## *Major Program Services*

- Develop pool (“pipeline”) of contracting and financing opportunities
- Direct matching of opportunities with qualified/vetted MBEs and facilitation of negotiations
- Assist MBEs in accessing global market opportunities; driven by MBDA partnerships/relationships with ITA, Ex-Im Bank, OPIC, USAID and others
- Identify and secure alternative sources of capital for MBEs
- Promote the advantages of achieving size and scale, and educate on benefits of strategic alternatives (i.e., mergers, acquisitions, joint ventures, and/or divestitures)
- Provide service referrals to MBEs of all sizes
- Client assessment
- Strategic business consulting
- Leveraging of strategic partners

## *Strategic Partners*

- Establish relationships that directly lead to transactions, jobs or assisting our target MBEs achieve size and scale and/or globalization with a minimum of 5 entities
- Focus on direct programmatic impact of each partnership
- Partnerships should assist the center achieve performance goals, including, but not limited to, serving as a referral source to assist start-up and early stage MBEs
- Strategic Partners should provide a service and/or opportunity to MBEs served by the center
- Synchronize outreach efforts
- Foster collaboration



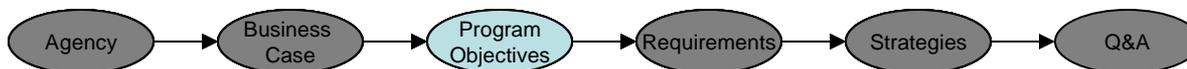
# Program Objectives (cont'd)

## *Primary Performance Elements*

- Number of Jobs Created
- Number of Jobs Retained
- Number and Dollar Value of Awarded Contracts/Procurements
- Number and Dollar Value of Awarded Financial Transactions
- Number of Export Transactions Facilitated
- Number of Strategic Transactions Facilitated (i.e. mergers and acquisitions, joint ventures and teaming agreements)
- Number of Clients Served
- Number of MBE Referrals

## *Branding*

- MBDA Business Center logo required
- Center to market itself to MBEs as “MBDA Partner Centers”
- Center will not be required to maintain an individual website; MBDA will host center web page on agency portal
- Trade Mark (“TM”) cited
- Publication guidance for signage, stationary and publications
- Communication guidance



# Clarify FFO Requirements

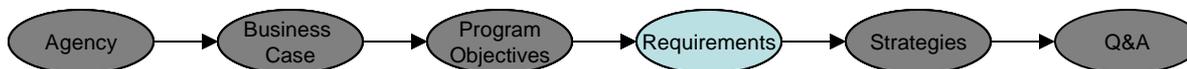
---

## 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
- American Indian tribes
- Educational institutions

## General Submission Requirements

- All applications must be submitted electronically through [www.Grants.gov](http://www.Grants.gov)
- Application must be submitted by an Authorized Organizational Representative (AOR)
- Entities may apply to operate more than one MBDA Business Center; however, individual applications for each location are required
- Necessary that applicants review and adhere to the full FFO



# Clarify FFO Requirements (cont'd)

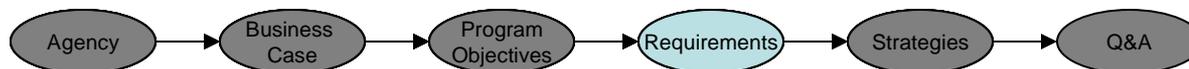
## Application Requirements\*

A full application will address all four years of the project period and include the following major components:

- Cover Page
- Table of Contents
- Program Narrative
- Required Program Narrative Attachments
- Budget Narrative
- Required Budget Narrative Attachments
- All Required Standard and Commerce Department Forms

All pages of the proposal must be consecutively numbered

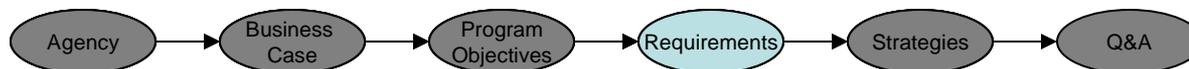
*\*Note, failure to adhere will result in deduction of points*



# Clarify FFO Requirements (cont'd)

## Program Narrative – Applicant Capability (30 points)

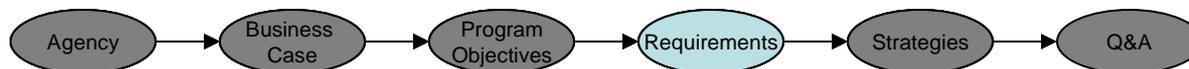
- Provide information on applicant organization's background and knowledge of the community
- Address the extent to which the applicant organization's mission aligns with the mission of MBDA
- Describe applicant experience providing services similar to those under the program work requirements related to access to markets, access to capital and business consulting
- Position descriptions, qualification requirements and salary ranges must be submitted for all staff
- Project Director may be identified at proposal stage or post-award
  - This individual must be highly qualified
  - If specific individual proposed, resume must also be submitted in addition to position description, qualification requirements and salary range
- Provide all required supporting attachments



# Clarify FFO Requirements (cont'd)

## Program Narrative – Resources (20 points)

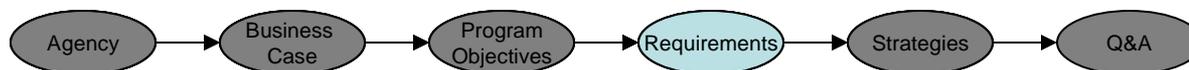
- Present plan for establishing and maintaining a network of strategic partners (minimum of five)
- Indicate extent to which partners will support the MBDA Business Center in achieving its goals
- Describe other resources at hand to foster success of the center
- Letters of Support and Commitment
  - Strategic Partners
  - Other resources listed
- Address rationale for the proposed placement of the MBDA Business Center office
- Present applicant plan for adhering to MBDA computer requirements
- Provide all required supporting attachments



# Clarify FFO Requirements (cont'd)

## Program Narrative – Techniques and Methodologies (30 points)

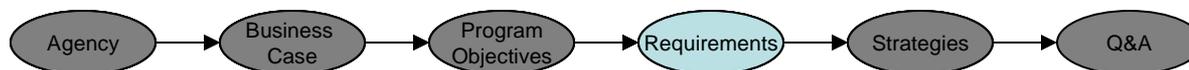
- Describe how each of the work requirements shall be met for each of the four (4) program years
- Justify any deviations, be they higher or lower, from the estimated performance goals provided in Appendix B of the FFO
- Provide a quarterly breakdown of performance goals for each of the four years
- Address how the applicant proposes to establish a system that correspond to, or may compliment, MBDA's tracking and validation of contracts
- Present the applicant's plan for how Center will be established and operating within 60 days; provide strategies and timelines/schedule of implementation milestones
- Describe how the applicant shall integrate work requirements with performance measures & existing infrastructure
- Provide all required supporting attachments



# Clarify FFO Requirements (cont'd)

## Proposed Budget and Budget Narrative (20 points)

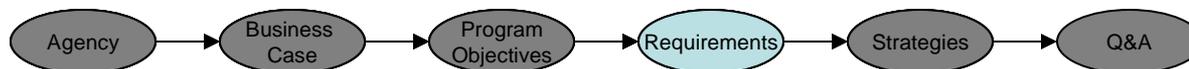
- Detailed line item budget and budget narrative required for each of the four (4) program years
- Each item of cost must be accompanied by a detailed description and cost breakdown
- All costs must be allowable, allocable and reasonable
- Budget must include costs for all required training-related travel (see Appendix E of FFO)
- Budget will be compared to the program narrative to determine if realistic from a programmatic perspective and whether costs are necessary
- All calculations should be mathematically correct and precise (i.e. rounding to the nearest dollar)
- The figures on the line item budget, budget narrative, Standard Form (SF) 424 and SF 424A must reconcile



# Clarify FFO Requirements (cont'd)

## Proposed Budget and Budget Narrative (cont'd)

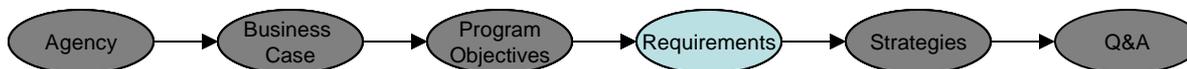
- The generation of program income is required
- Program income is the gross income earned by the grantee that is generated directly by a grant-supported activity or earned as a result of the grant
- Program income includes, but is not limited to, income from fees charged to clients for services performed
- 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
- No minimum cost share required; cost share may be comprised of any combination of the following:
  - Program Income (required)
  - Cash Applicant Contributions
  - Non-Cash Applicant Contributions
  - Third-party Contributions (In-kind or Cash)



# Clarify FFO Requirements (cont'd)

## Proposed Budget and Budget Narrative (cont'd)

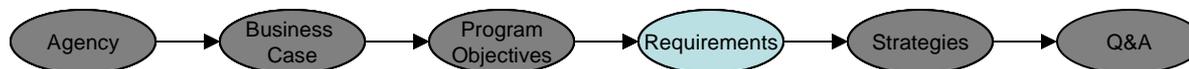
- A detailed and signed letter from any/all 3<sup>rd</sup> party contributors must be scanned and submitted with the proposal
- Indirect costs are limited to the lesser of:
  - The indirect cost rate negotiated and approved by the applicant's cognizant federal agency
  - Thirty percent (30%) of the total direct costs for the project
- 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



# Clarify FFO Requirements (cont'd)

## Bonus Point for Service Innovation (10 points optional)

- This component is optional
- Any service(s) proposed under "Service Innovation" is in addition to the core MBDA Business Center services
- The aspects of the innovative addition(s) to the work requirements must be fully described by the applicant, including processes and anticipated results
- Examples provided in Appendix F of FFO



# Clarify FFO Requirements (cont'd)

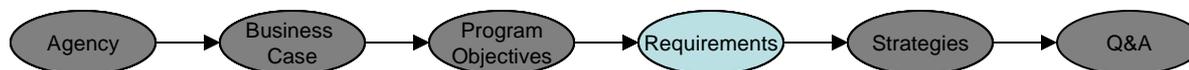
## Forms

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 for each of the four funding periods)
- 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)

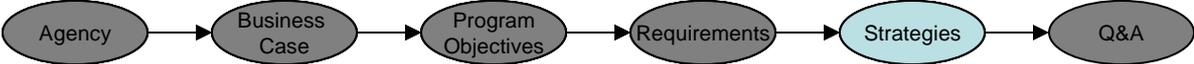
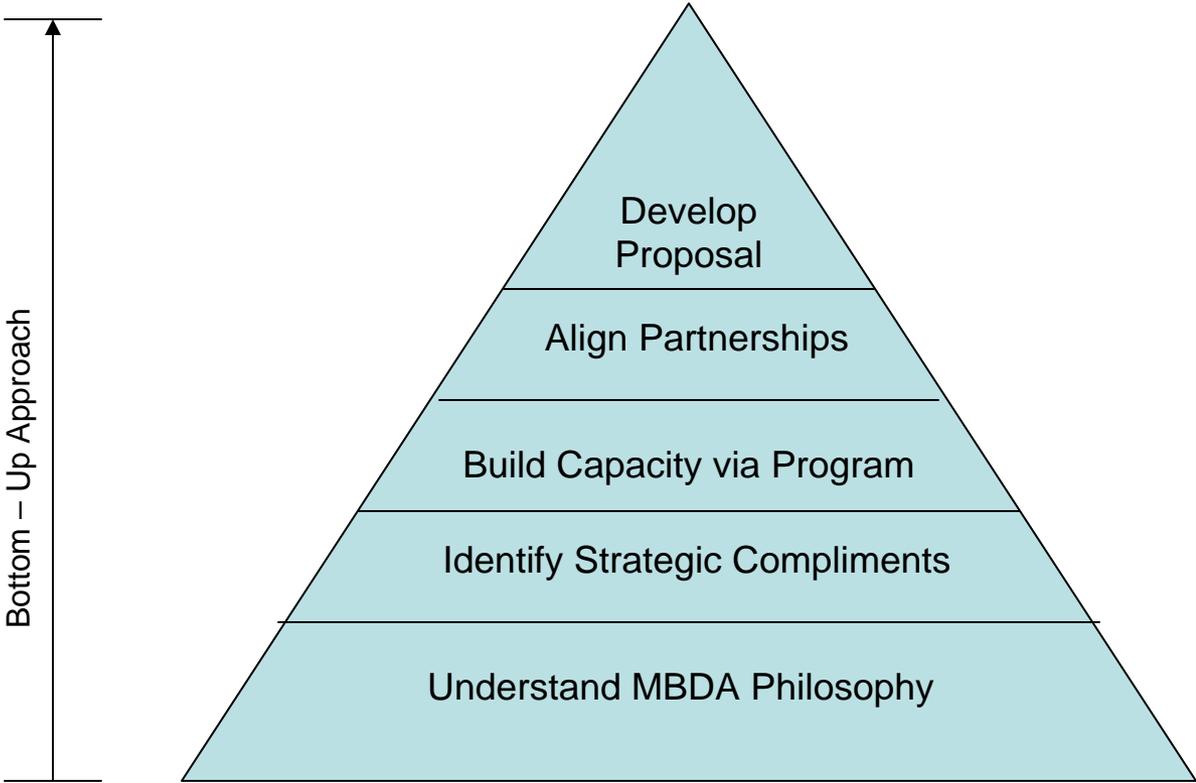
The application must contain the following Department of Commerce (CD) form:

- CD 511, Certification Regarding Lobbying (one form to cover all funding periods)



# Strategy for Competition

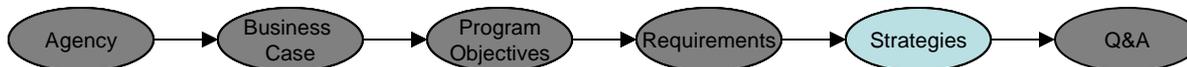
## Preparing a Proposal



# Strategy for Competition

The screenshot shows the MBDA website homepage. At the top, there are navigation tabs for 'General Info', 'Press/Media Info', and 'Business Workspace'. A search bar is located on the right side of the header. The main content area features a large banner with the MBDA logo and a map of the United States. Below the banner, there are several sections: 'New Grant Competition Open!' with a 'Read More' link circled in red, 'New Contract Opportunities' with a list of projects and locations, and '2011 Trade Missions' with details for three missions. On the right side, there is a 'Did you know...' section with a line graph showing the number of jobs created from 2006 to 2010.

Fiscal Year	Number of Jobs Created
2006	4,254
2007	3,506
2008	4,603
2009	4,134
2010	6,397



# Strategy for Competition

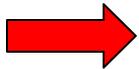
Note: The MBDA Business Center program is not a grant program to start or to expand an individual business. Applications must be to operate a MBDA Business Center and to provide business consulting services to eligible minority-owned firms as set forth in the Federal Funding Opportunity. Applications that do not meet these requirements will not be considered by MBDA for funding.

## Pre-Application Teleconference

MBDA will conduct a pre-application teleconference on Wednesday, December 14, 2011 at 2 p.m. Eastern Standard Time (EST). Note: **Registration is required** to participate in the MBDA Business Center competition pre-application conference.

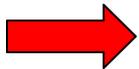
[View Registration Details](#)

The below materials are based on the Announcement of Federal Funding Opportunity (FFO) for the MBDA Business Center program and are intended to provide information to interested parties concerning the MBDA Business Center Program and the preparation of an application for funding under this competitive solicitation. The informational materials are not a substitute for the MBDA Business Center application and program requirements set forth in the FFO. Should there be any inconsistencies between the FFO and the informational materials, the FFO is the controlling document and shall prevail.



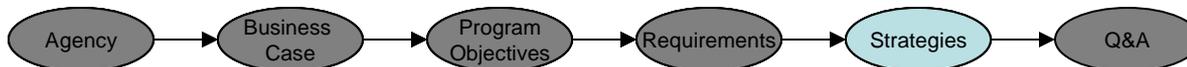
## List of Attachments

- [Federal Funding Opportunity \(FFO\) Announcement](#)
- [General Application Preparation Tips](#)
- [Budget Narrative Checklist](#)



## Instructional Videos

- [Steps to Register and Apply for a MBDA Business Center Grant](#)
- [How to Write a Strong Program Narrative](#)
- [Panel Review Process for MBDA Business Center Grant Applications](#)

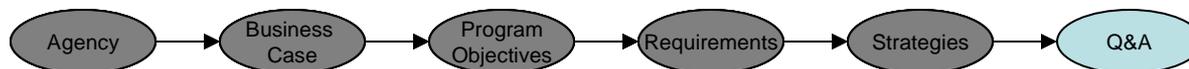


# Q&A

---

Please adhere to operator instructions to ask questions

Thank you



# Close

Additional questions not addressed during the pre-application conference, or in the supplemental materials posted to the MBDA website can be submitted via email to:

[MBDABusinessCenter@mbda.gov](mailto:MBDABusinessCenter@mbda.gov)

The above email address will be available for submission of questions through Wednesday, December 21, 2011.

Emails submitted after the date above will not receive a response.

Thank you for participating and have a great day!

