



City Council Memorandum

City of Arts & Innovation

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 19, 2023

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL

SUBJECT: AMERICAN RESCUE PLAN ACT SUBRECIPIENT AGREEMENT WITH INLAND SOUTHERN CALIFORNIA 211+, dba COMMUNITY CONNECT, FOR \$779,948.05 OF AMERICAN RESCUE PLAN ACT FUNDS TO ADMINISTER A CITY OF RIVERSIDE SMALL AND MICRO-BUSINESS COVID RECOVERY GRANT PROGRAM

ISSUE:

Approve the proposed American Rescue Plan Act Subrecipient Agreement with Inland Southern California 211+, dba Community Connect (Community Connect) for \$779,948.05 of American Rescue Plan Act Funds to administer a City of Riverside small and micro-business COVID recovery grant program.

RECOMMENDATIONS:

That the City Council:

1. Approve the proposed American Rescue Plan Act Subrecipient Professional Consultant Services Agreement with Community Connect for \$779,948.05 of American Rescue Plan Act Funds to administer a City of Riverside small and micro-business COVID recovery grant program; and
2. Authorize the City Manager, or designee, to execute the American Rescue Plan Act Subrecipient Professional Consultant Services Agreement with Community Connect, including making minor and non-substantive changes to complete the transaction.

COMMITTEE RECOMMENDATION:

On July 20, 2023, the Economic Development Placemaking, Branding & Marketing Committee recommended that the City Council 1) Approve the proposed American Rescue Plan Act Subrecipient Professional Consultant Services Agreement with Community Connect for \$779,948.05 of American Rescue Plan Act Funds to administer a City of Riverside small and micro-business COVID recovery grant program; and 2) Authorize the City Manager or his designee to execute the Agreement, including making minor and non-substantive changes to complete the transaction.

BACKGROUND:

On March 11, 2021, President Biden signed into law the American Rescue Plan Act to facilitate the recovery from the devastating economic and health effects of the COVID-19 pandemic. The American Rescue Plan Act (ARPA) established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which provides a combined \$350 billion in assistance to eligible state, local, territorial, and Tribal governments to assist in the economic and health recovery by providing resources to address impacts resulting from the crisis.

ARPA established the Coronavirus Local Fiscal Recovery Fund to provide resources to support communities struggling with the impacts of COVID-19. Originally, these funds were approved to be used for pandemic response needs, including mitigation and prevention, support to communities and populations most impacted by the COVID-19 crisis, and to fill revenue shortfalls. The US Department of the Treasury issued a Final Rule to further clarify eligible programs for these funds, and became effective on April 1, 2022.

Many Riverside retail, restaurants, hospitality, travel, personal, and professional services, including home-based businesses, were greatly affected by the pandemic. On November 9, 2021, the City Council approved the first allocation of the ARPA funding Expenditure Category Plan in the amount of \$36,767,594, which included an allocation of \$6,000,000 for the development and administration of a local small and micro-business grant.

DISCUSSION:

One of the City of Riverside's great economic strengths is its diverse small business community. Pre-pandemic data indicates that small and micro-enterprises comprise nearly 70% of Riverside's business community and account for over 32% of local employment. In addition, Riverside is also the biggest city in Inland Southern California, a region with the largest number of family-owned businesses in the country.

The goal of the Riverside Small and Micro-Business Grant is to infuse resiliency capital into the local, small business sectors, targeting disadvantaged and underserved businesses. This funding is intended to ensure equitable opportunities for local businesses to face any present and future economic challenges and provide safety, stability, education, and growth to our local economy.

While some businesses may have lingering debt from the pandemic, ARPA allows funds for a variety of uses that revitalize our local communities and create greater long-term business resilience. The Riverside Small and Micro-Enterprise Grant will be available to qualified applicants for expenses, including new hiring and employee training, façade improvements, business equipment, security systems, computer and software upgrades, marketing and branding campaigns, and other items focused on attracting new customers.

In order to create, administer, and manage this process, the City, on October 3, 2022, requested the help of qualified consultants that specialize in providing this service. Request for Proposal No. 2193 was posted on the City's Online Bid System on October 3, 2022, and closed on October 27, 2022. The scope of services included:

- Finalizing the program in compliance with all ARPA requirements;
- Managing an outreach and marketing effort to ensure equity and awareness of the program in coordination with the City and local partners;

- Program coordination and management;
- Preparing the application/documentation process;
- Reviewing and qualifying applications; and
- Providing all required reporting.

The project had twenty-eight (28) prospective bidders and received two proposals, both deemed responsive.

Vendor	Vendor’s Location	Rank
Inland Southern California 211+ DBA Community Connect	Riverside, CA	1
Geocko Inc DBA FORWARD	Seattle, WA	2

An internal evaluation committee comprised of various facets of the City reviewed the proposals received and after careful review and scoring, the RFP concluded Community Connect is the most qualified option. The following summarizes what the evaluation committee found:

- **Firm Experience and Capacity:** The proposal included positive references and detailed testimonials from satisfied customers with similar projects. It demonstrated a variety of relevant local partnerships and over 30 years of local and regional experience. Additionally, the proposal included multi-lingual communication and a commitment to be physically available to applicants. Finally, the firm offered an extensive, multi-faceted, and multi-lingual marketing plan, including digital, print, radio, newspaper, social media, website, attendance at small business events, and door-to-door outreach as needed, as well as a focus on connecting with underserved communities.
- **Understanding, Approach and Methodology:** The proposal demonstrated a clear understanding of the Riverside business community and the time and resources required to meet the scope of services. It detailed a hands-on, personalized approach to customer service with multiple touch-point options throughout the process, including in-person and virtual options as well as the ability to leverage the support of multiple community partners. The proposal approach included a detailed plan for equitable and accessible participation utilizing neighborhood demographic data to identify underserved communities and strategic design of the targeted marketing and outreach plan with a variety of methods for reaching the business community. Community Connect demonstrated a clear understanding of staff’s expectations for finalizing the business qualifications and appropriate supporting documentation according to ARPA requirements.
- **Cost:** Although not the lowest bid, the costs in this proposal are well explained and clearly aligned to specific tasks, staffing needs, reporting requirements, and time allocations to demonstrate a reasonable expectation of the work required for the project. Following staff negotiations, a 10% (\$95,000) price reduction was achieved.
- **Schedule:** The work schedule is well organized, allowing adequate time and clear deadlines for each aspect of the project, including reporting for ARPA requirements and timely distribution of funds to qualified applicants.

The professional consultant services agreement in the amount of \$779,948.05 retains \$5,220,051.95 available for distribution through this grant program.

The Purchasing Manager concurs that the recommended actions are compliant with Purchasing Resolution No. 23914.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 3 — Economic Opportunity**, and **Goal – 3.4:** Collaborate with key partners to implement policies and programs that promote local business growth and ensure equitable opportunities for all.

This item aligns with each of the five Cross- Cutting Threads as follows:

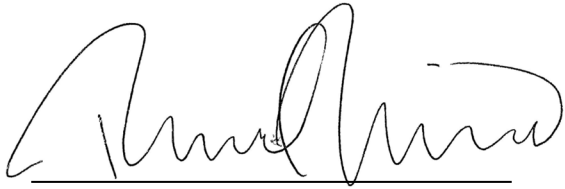
1. **Community Trust** – The local business community will be engaged through an extensive multi-lingual and multi-faceted marketing campaign and have access to in-person and virtual program support to ensure consistent and accessible communication.
2. **Equity** –The Small and Micro-Enterprise Grant infuses needed recovery and long-term resiliency capital into the most impacted business sectors, targeting disadvantaged and underserved communities with funding and support services to ensure equitable economic opportunity.
3. **Fiscal Responsibility** – Use of ARPA funds to promote local business growth and resiliency generates long-term economic benefits through increased tax revenue to provide City services. Competitive procurement was used to equitably secure the best quality and cost for the City.
4. **Innovation** – The City of Riverside Small and Micro-Enterprise Grant Program leverages local and regional partnerships to improve success and offers multi-lingual virtual, online, and in person options for application processing. This includes the Community Connect Application Management Portal which allows 24/7 access to view application status and communicate with the program management team, creating convenience and accessibility for local businesses.
5. **Sustainability & Resiliency** –Providing Small and Micro-business grant funding to local businesses supports equitable economic opportunity, recovery and overall greater business resiliency in the face of future economic downturns.

FISCAL IMPACT:

The total fiscal impact of the action is \$779,948.05. Sufficient funds are budgeted and available in the Grants & Restricted Programs Fund, Riverside Small/Micro Business grant account 8810500-440110.

Prepared by:	Jennifer A. Lilley, Community & Economic Development Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Finance Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Concurs with:

A handwritten signature in black ink, appearing to read 'Ronaldo Fierro', written over a horizontal line.

Ronaldo Fierro

Economic Development, Placemaking, Branding & Marketing Committee

Attachments:

1. Subrecipient Agreement
2. Complete Scope of Services