

# **BLACK BUSINESS LOAN PROGRAM**

## **APPLICATION EVALUATION FORM**

**Fiscal Year 2009-2010**

## Instructions for Use

The Board uses this form to review and evaluate applications for certification as an eligible recipient of funds under the Black Business Loan Program established by section 288.7102 of the Florida Statutes (2007).

The application and certification process is governed by Rule Chapter 27M-3 of the Florida Administrative Code, which is available at [www.flrules.org](http://www.flrules.org). As set forth in Rule 27M-3.001, the following definitions apply to the application and certification process.

**“Act”** means the Florida Black Business Investment Act, Sections 288.7065 to 288.714, F.S.

**“Agreement”** means the standard “Black Business Loan Program Recipient Agreement” form OTTED 7102-5 (6/08).

**“Applicant”** means a corporation that seeks certification under Section 288.7102, F.S., as a Recipient of funds to provide loans, loan guarantees, or investments in black business enterprises pursuant to the Act.

**“Application”** means the standard “Application for Certification as Eligible Recipient of Funds under the Black Business Loan Program” form OTTED 7102-1 (6/09).

**“Application Evaluation Form”** means the standard “Black Business Loan Program Application Evaluation” form OTTED 7102-2 (6/09).

**“Application Period”** means the annual period during which Applicants may submit Applications, which shall be July 1 through July 31 (or the next business day) of each year in which there is a legislative appropriation to fund the Program.

**“Board”** means the Florida Black Business Investment Board, Inc., created by Section 288.707, F.S., whose address is 545 E.Tennessee Street, Suite 200-A, Tallahassee, Florida, 32308.

**“Certification Decision Form”** means the standard “Black Business Loan Program Certification Decision” form OTTED 7102-4 (6/09).

**“Eligible”** means that an Applicant has demonstrated satisfaction of each of the requirements specified in s. 288.7102(3), F.S.

**“Office”** means the Office of Tourism, Trade and Economic Development, whose address is 1902 The Capitol, 402 S. Monroe Street, Tallahassee, Florida, 32399.

**“Program”** means the Black Business Loan Program established by Section 288.7102, F.S.

**“Recipient”** means an Applicant that, after a certification process, the Office certifies to receive Program funds and that enters into an Agreement with the Office.

**“Summary Recommendation Form”** means the standard “Black Business Loan Program Summary Recommendation” form OTTED 7102-3 (6/09).

## Instructions for Reviewing and Evaluating the Application

The Office intends these instructions to guide the persons responsible for reviewing and evaluating an Application. Two different people should complete these functions. The Board's designee(s) should evaluate the Application as outlined below in steps five and six. A Board staff person should review and process the Application as outlined below in all other steps.

For clarity, where reasonably possible the instructions take the active voice and imperative form, addressed to the designated evaluator in steps five and six and to the staff reviewer in all other steps. When a sentence lacks a subject, the staff reviewer or the designated evaluator is the intended actor, depending on which step of the process the sentence describes. For example, in step one, "Identify the Applicant..." means "The staff reviewer shall identify the Applicant." In these instructions, the terms "you" or "your" refers to the designated evaluator in steps five and six and to the staff reviewer in all other steps.

Complete the evaluation using the form attached hereto as Exhibit A.

STEP ONE – Reviewer Information	(completed by Board staff)
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Indicate your name and contact information.

STEP TWO – Applicant Information	(completed by Board staff)
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Identify the Applicant by name.

Indicate whether the Application was complete when initially received by the Board, or whether it was supplemented after initial submittal. If supplemented, briefly describe the process (dates, contacts, supplemental information, etc.).

Indicate whether the Application contained any other irregularities that, while not supplemented or corrected, the Board deems minor and recommends be waived. An irregularity is any failure to comply strictly with the technical requirements of the Application. An irregularity is minor if it does not materially affect the Applicant's competitive position or prejudice the state's interest. The mandatory criteria in step three may not be waived. Briefly describe any irregularities that were deemed minor.

STEP THREE – Mandatory Pass/Fail Criteria	(completed by Board staff)
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Review the Application and indicate whether it contains the following mandatory information behind Tabs 1 through 4. Applicants must provide the following to be eligible for review. If the applicant fails to provide 1 through 4, notify the applicant in writing that the application is incomplete and specify the reasons. The applicant shall have ten (10) business days after receipt of such notice to submit a revised application to the Board. If the applicant fails to submit a revised application within the required time, the Board shall notify the applicant in writing that it is removed from further consideration and send a copy of the notice to the Office

Tab No.	Contents
1	Applicant's contact information.
2	Transmittal letter indicating the following: amount of Program funds sought; amount of matching private funds (which <u>must</u> be at least 20% of amount sought); intended service area; intent to be bound by the Agreement if certified; certification of no prohibited conflicts; and certification of accuracy of information.

- 3 Documentation of current registration and authority to operate as a business in Florida.
- 4 Financial statements for the Applicant's three (3) most recent fiscal years (paper copy or URL where available on-line), audited by a certified public accountant. If unaudited statements are submitted, the Applicant's chief financial officer or treasurer must certify that they are true, correct and complete and that the Applicant does not have audited statements. Financial statements include: opinion letter (auditor's report); balance sheet; income statement; statement of changes in cash flow; and footnotes.

STEP FOUR – Responsibility Determination	(completed by Board staff)
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After a quick overall review of the Application, ask: Does it appear that the Applicant has the **capability** to fully perform the requirements of the Agreement (if awarded)? Can the Applicant do the job? This is a "yes or no" question. At this stage, only consider **can** the Applicant do the job, not **how well** it will perform (which is evaluated in step six).

Indicate the answer to this question. If you conclude that the Applicant should not be certified because it lacks the capability to perform, stop your review. Do not provide the Application to an evaluator for completion of steps five and six. Sign and date the form. On the Summary Evaluation and Recommendation Form, indicate 'yes' to the question, "Did the Board reject any Applicants as non-responsible or ineligible?" and indicate Applicant's name.

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If you have determined that the Application is complete, that the Application satisfies the mandatory criteria, and that the Applicant appears capable of performing the work, then your initial review is complete. Provide the Application and the partially completed form (Exhibit A) to the evaluator(s) designated by the Board for completion of steps five and six.

If no individual evaluator has all of the background experience required by Rule 27M-3.002(4) (see step five), then the Board shall designate a group of evaluators who collectively have the required experience. Give each of the evaluators' copies of the Application and the partially completed form (Exhibit A)

STEP FIVE – Evaluator Information	(completed by designated evaluator)
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Rule 27M-3.002(4) provides in part: "To conduct the evaluation, the Board shall assign a person or persons who individually or collectively have experience in the following areas: financing small or minority business; economic development; community development; and business management. No officer, director, employee or agent of any Applicant shall participate in the evaluation process."

Indicate your name, contact information, and pertinent areas of experience.

Indicate whether you are you an officer, director, employee, or agent of the Applicant. If you are, stop the evaluation and seek assignment of someone else to complete the evaluation.

Indicate whether there is any other information of which the Board or Office should be aware that might influence or bear upon the ability of you, the Board, or the Office to evaluate the Application fairly, including prior affiliations or service with the Applicant. If there is, please discuss the information with the Board or its staff.

Carefully read the material in the Application. Score the Application on the following criteria. Each criterion indicates the total available points. Consider the entire scale of available points, and award a score within the range associated with your assessment.

**Board Experience** (total of 20 points available)

Award points within the following ranges, based on your assessment of the material included in the Application, particularly but not exclusively the material behind Tab 5. The score on this criterion should reflect **whether** the **individuals** serving on the board have the appropriate experience, and **how well** they have **individually** performed.

- 14-20 points      Applicant's board of directors includes citizens of Florida with strong and successful experience in the development of black business enterprises. One or more board member has 5 or more years experience in the field, and has demonstrated strong success in this market. There is no doubt that Applicant's management understands the Program's objectives and would be skilled and effective in advancing them.
- 7-13 points      Applicant's board of directors includes citizens of Florida experienced in the development of black business enterprises. One or more board member has 1-4 years experience in the field, and has demonstrated success in this market. It is likely that Applicant's management understands the Program's objectives and would be reasonably successful in advancing them.
- 1-6 points      Applicant has at least one board member who is a citizen of Florida with some experience in the development of black business enterprises. The experience is less than one year, and there is some doubt about the effectiveness of management in this market.
- 0 points      Applicant's board includes no members who are citizens of Florida with experience in the development of black business enterprises

**Past Performance** (total of 25 points available)

The score on this criterion should reflect your evaluation of the probability that Applicant will successfully perform the Agreement if certified, based on **how well** the Applicant has **corporately** performed (that is, as an organization) on similar programs in the past. Regardless of whether the past performance was under contract, grant agreement, or otherwise, consider performance of programs similar to the Program activities required under the Act. Consider the following elements:

- Quality of Service – Assess Applicant's conformance to program requirements, quality of outreach and technical assistance efforts (including consulting or direct assistance on borrowers' operational or management issues), success in creating or retaining jobs through financing, experience with leveraging program funds to secure additional funds, and the repayment or return status of financial transactions.
- Business Relations – Assess the integration and coordination of all activity needed to execute the program, including the timeliness, completeness, and quality of problem identification, corrective action plans, Applicant's history of reasonable and cooperative behavior, timely award and management of subcontracts or other subordinate relationships, management of key personnel, timely submittal of required reports and responses to administrative requests, and agency (or customer) satisfaction.

Award points within the following ranges, based on your assessment of the material included in Application, particularly but not exclusively the material behind Tab 6 of the Application. Do not contact the Applicant or references to discuss past performance. In assessing past performance, consider whether it is **recent** (distant past experience may not predict ability to perform in the near future) and whether it is **relevant** (how similar it is to the service required of Recipients under the Program). You may award a score within one of the ranges below even if not every statement about the various elements applies. For example, you may conclude that an Applicant's past performance has been exceptional measured on the quality of service element, but very good on the business relations element. In that case, use your judgment of overall risk and award lower in the exceptional range (20-21) or higher in the very good range (18-19).

20-25 points      Exceptional – very low performance risk. No doubt exists that Applicant will successfully perform the required effort. Applicant met all, and exceeded many, service requirements (that is, outreach and technical assistance to borrowers, consulting with borrowers, creating or retaining jobs through financing, leveraging program funds to secure additional funds, and repayment or return of loans). It experienced no quality of service problems, or it experienced only minor problems to which it responded with highly effective corrective actions that improved performance and the quality of results. Applicant significantly exceeded delivery requirements. Applicant experienced no schedule problems, or it experienced only minor problems which it quickly resolved with highly effective corrective actions. Applicant, its employees, and its subcontractors or agents conducted themselves in a highly professional manner, and were regularly very responsive and proactive. They significantly exceeded expectations, resulting in high agency satisfaction. Applicant implemented minor contract changes without cost impact, and submitted no or few change proposals, which were timely resolved.

14-19 points      Very good – low performance risk. Little doubt exists that Applicant will successfully perform the required effort. Applicant met all, and exceeded some, service requirements (that is, outreach and technical assistance to borrowers, consulting with borrowers, creating or retaining jobs through financing, leveraging program funds to secure additional funds, and repayment or return of loans). It experienced only minor quality of service problems to which it responded with effective corrective actions. Applicant met delivery requirements. Applicant experienced no schedule problems, or it experienced only minor problems which it quickly resolved with effective corrective actions. Applicant, its employees, and its subcontractors or agents conducted themselves in a professional manner, and were regularly responsive and proactive. They exceeded expectations, resulting in agency satisfaction. Applicant submitted no or few change proposals, which were timely resolved.

7-13 points      Satisfactory - moderate performance risk. Some doubt exists that Applicant will successfully perform the required effort. Applicant met all service requirements (that is, outreach and technical assistance to borrowers, consulting with borrowers, creating or retaining jobs through financing, leveraging program funds to secure additional funds, and repayment or return of loans). It experienced only minor quality of service problems to which it responded with satisfactory corrective actions. Applicant met delivery requirements. Applicant experienced only minor schedule problems which it quickly resolved with effective corrective actions. Applicant, its employees, and its subcontractors or agents conducted themselves in a professional manner and were reasonable responsive. They met expectations, resulting in adequate agency satisfaction. Applicant submitted reasonable change proposals, which were reasonably resolved.

1-6 points      Marginal - high performance risk. Substantial doubt exists that Applicant will successfully perform the required effort. Applicant failed to meet some service requirements (that is, outreach and technical assistance to borrowers, consulting with borrowers, creating or retaining jobs through financing, leveraging program funds to secure additional funds,

and repayment or return of loans). It experienced serious quality of service problems to which it responded with ineffective corrective actions. Applicant did not meet delivery requirements. Applicant, its employees, and its subcontractors or agents exhibited little professionalism or responsiveness. They did not meet expectations, resulting in low agency satisfaction, and Applicant made no effort to improve relations. Applicant submitted unnecessary change proposals, which required unplanned time to resolve.

- 0 points      Unsatisfactory - very high performance risk. Extreme doubt exists that Applicant will successfully perform the required effort. Applicant failed to meet most service requirements (that is, outreach and technical assistance to borrowers, consulting with borrowers, creating or retaining jobs through financing, leveraging program funds to secure additional funds, and repayment or return of loans). It experienced serious quality of service problems which it was unable to correct. Applicant did not meet delivery requirements. Applicant was unable to recover from the schedule problems. Applicant, its employees, and its subcontractors or agents exhibited a lack of cooperative spirit and were delinquent in responses. They fell far below expectations, resulting in agency dissatisfaction, and Applicant was unable to improve relations. Applicant submitted extensive unnecessary change proposals to correct poor management, which required significant time to resolve.
- N/A            No score - unknown performance risk. No performance record is identifiable. If no record is available, which should be very rare, do not evaluate the Applicant on this criterion.

**Current Business Plan** (total of 30 points available)

Award points within the following ranges, based on your assessment of the material included in the Application, particularly but not exclusively the material behind Tab 7. Review management and staff resumes to assess experience of personnel. In assessing Applicant's ability to execute on its plan, consider financial strength and trends as revealed in the financial statements included behind Tab 4.

- 21-30 points      Applicant's business plan is well-thought out and presented, and demonstrates strong understanding of the Act's requirements and Program goals and objectives. Applicant has the resources and ability to dedicate personnel, at least one of whom has 5 or more years experience, to analyze and evaluate applications by black business enterprises for loans, loan guarantees, and investments. There is no doubt that Applicant is well-prepared to advance the Act's objectives. The business plan reveals understanding of likely risks and challenges, and sets forth high-level strategies and detailed tactics for mitigating and overcoming them. The business plan addresses both qualitative and quantitative factors.
- 11-20 points      Applicant's business plan is professionally presented and demonstrates familiarity with the Act's requirements and Program goals and objectives. Applicant has the resources and ability to dedicate personnel, at least one of whom has 3-4 years experience, to analyze and evaluate applications by black business enterprises for loans, loan guarantees, and investments. It appears that Applicant is equipped to advance the Act's objectives. The business plan discusses likely risks and challenges and plans for mitigating and overcoming them.
- 1-10 points      Applicant's business plan relates to the Act's requirements and Program goals and objectives. Applicant plans to dedicate personnel with 0-2 years of experience to analyze and evaluate applications by black business enterprises for loans, loan guarantees, and investments. It appears doubtful that Applicant is equipped to advance the Act's objectives. The Applicant likely will struggle to overcome risks and challenges.

0 points      Applicant has no meaningful business plan.

**Partnerships** (total of 25 points available)

Award points within the following ranges, based on your assessment of the material included in the Application, particularly but not exclusively the material behind Tab 8.

- 18-25 points     Applicant has a strong network of viable partnerships with public and private funding sources, economic development agencies, and workforce development and job referral networks. There are one or more partners within each group (that is, public and private funding sources, economic development agencies, and workforce development and job referral networks). Such partners are firmly committed to help Applicant advance the Act's objectives. Applicant has clearly explained each partner's roles and responsibilities within the network, and it is obvious how each brings unique and important strengths to the relationship. The partnerships have a track record of success over 5 or more years. There is no doubt that the partnership network will add value and enable Applicant to perform beyond its own abilities in advancing the Act's objectives.
  
- 9-17 points     Applicant has a network of viable partnerships with public and private funding sources, economic development agencies, and workforce development and job referral networks. There is a least one partner within each group. Such partners are committed to help Applicant advance the Act's objectives. Applicant has outlined each partner's roles and responsibilities within the network. The partnerships have a track record of success over 1-4 years. It is likely that the partnership network will add value and assist Applicant in its efforts to perform to advance the Act's objectives.
  
- 1-8 points     Applicant has a network of partnerships with public and private funding sources, economic development agencies, and workforce development and job referral networks. There is a least one partner within one group. Such partners have expressed willingness to help Applicant advance the Act's objectives, but it is not clear how they will do so. The partnerships have a track record of success less than 1 year. It is doubtful that the partnership network will add value or assist Applicant in its efforts to perform to advance the Act's objectives.
  
- 0 points     Applicant has established no viable partnerships.

**Total Score**

Add the preceding four (4) scores and enter the total. The total score may not exceed one hundred (100) points.

If the past performance score is N/A due to lack of past performance information, convert the total score to a 100-point scale. To convert the scale, add the three (3) scored criteria, divide the sum by seventy-five (75), and then multiply the result by one hundred (100).

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Your evaluation is complete. Sign and date the form and return it along with the Application to the Board staff perform from whom you received it.

STEP SEVEN – Eligibility Confirmation	(completed by Board staff)
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Indicate whether Applicant received a score of zero (0) on any of the criteria in step six. If so, Applicant is ineligible for certification as a Recipient. On the Summary Evaluation and Recommendation Form, indicate 'yes' to the question, "Did the Board reject any Applicants as non-responsible or ineligible?", indicate Applicant's name, and do not enter the Applicant's score on the ranking table.

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At the conclusion of step seven, sign and date the evaluation form. Review and evaluation of the Application is now complete. The Board shall next complete the Summary Recommendation Form (see instructions for form OTTED 7102-3 (6/09)).

## Exhibit A – Review and Evaluation of Application

STEP ONE – Reviewer Information

(completed by Board staff)

Your name: \_\_\_\_\_

Email address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

STEP TWO – Applicant Information

(completed by Board staff)

Applicant name: \_\_\_\_\_

Check one:

Application was complete when received by the Board

Application was supplemented after initial submittal (explanation follows):

Did the Board determine that the Application, while not strictly compliant with the technical requirements, contained only minor irregularities that the Board recommends be waived? (check one)

No irregularities

Irregularities, but minor (explanation follows):

STEP THREE – Mandatory Pass/Fail Criteria

(completed by Board staff)

Criterion	Score	
Applicant's contact information	<input type="checkbox"/> Pass	<input type="checkbox"/> Fail
Transmittal letter (with at least 20% private sector match)	<input type="checkbox"/> Pass	<input type="checkbox"/> Fail
Authority to operate as a business in Florida	<input type="checkbox"/> Pass	<input type="checkbox"/> Fail
Financial statements	<input type="checkbox"/> Pass	<input type="checkbox"/> Fail

STEP FOUR – Responsibility Determination

(completed by Board staff)

Does it appear that the Applicant has the capability to fully perform the requirements of the Agreement (if awarded)?

Yes                       No (if no, skip steps five and six)

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Rule 27M-3.001, F.A.C.

Office of Tourism, Trade, and Economic Development

Black Business Loan Program Application Evaluation Form

STEP FIVE – Evaluator Information (completed by designated evaluator)

Your name: \_\_\_\_\_

Email address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Your experience (check all that apply):

- financing small or minority business
- economic development
- community development
- business management

Are you an officer, director, employee, or agent of the Applicant?

- No
- Yes (if yes, do not complete the evaluation)

Is there any other information of which the Board or Office should be aware that might influence or bear upon the ability of you, the Board, or the Office to evaluate the Application fairly?

- No
- Yes (if yes, discuss with the Board or staff before proceeding)

STEP SIX – Scoring Other Criteria (completed by designated evaluator)

**Board Experience** (total of 20 points available) **Points Awarded:** \_\_\_\_\_

**Past Performance** (total of 25 points available) **Points Awarded:\*\*** \_\_\_\_\_

**Current Business Plan** (total of 30 points available) **Points Awarded:** \_\_\_\_\_

**Partnerships** (total of 25 points available) **Points Awarded:** \_\_\_\_\_

**Total Points Awarded:** \_\_\_\_\_

**\*\*Note:** If this criterion is N/A due to lack of past performance information, then adjust the total score to a 100-point scale and indicate here:

**Total Points Awarded:** \_\_\_\_\_ (100 point scale)

Evaluator's Signature

date

STEP SEVEN – Eligibility Confirmation

(completed by Board staff)

Did Applicant receive a score of zero (0) on any of the criteria in step six?

No                       Yes (if yes, Applicant is not eligible for certification as a Recipient)

\_\_\_\_\_  
Reviewer's Signature

\_\_\_\_\_  
date