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Memorandum Date: November 29, 2006
Board Order Date: December 13, 2006

TO: Board of County Commissioners
DEPARTMENT: CAO/Economic Development Standing Committee
PRESENTED BY: Mike McKenzie-Bahr, Community and Economic Development Coordinator

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF AWARDING CONTRACTS FOR STRATEGIC INVESTMENT PROJECTS SELECTED THROUGH THE 2006 ECONOMIC DEVELOPMENT RFP INITIAL PROPOSAL CYCLE AND AUTHORIZING THE COUNTY ADMINSTRATOR TO SIGN PROJECT CONTRACTS

I. MOTION

It is moved that we find that the EDSC scored all projects fairly and in an unbiased manner, that we award contracts to the following projects, that any additional funding needed for the projects be allocated from the strategic opportunity reserve as part of supplemental 1 and authorize the county administrator to sign project contracts. The projects to be funded and the amount of funding for each are as follows:

- U of O Riverfront Innovation Center: \$47,355
- Earth Lab: \$40,447
- Fern Ridge Chamber: \$14,895
- Eugene Area Chamber: \$34,200
- Jody Coyote: \$171,000
- Lane Workforce Partnership: RV Consortium : \$75,000
- B.R.I.N.G. Recycling, Planet Improvement Center: \$75,000

II. AGENDA ITEM SUMMARY

The Lane County Economic Development Standing Committee has completed reviewing and ranking proposals received in the 2006-07 Economic Development Request For Proposal Initial Proposal Cycle.

The EDSC has made the following recommendations regarding the spending of video lottery funds:

- 1) Allocate \$200,000 from FY06-07 economic development strategic investment funds and \$86,897 of Strategic Opportunity Reserve funds to fund the following projects:

Lane Workforce Partnership: RV Consortium (\$75,000)
U of O Riverfront Innovation Center (\$47,355)
Earth Lab (\$40,447)
B.R.I.N.G. Recycling, Planet Improvement Center (\$75,000)
Fern Ridge Chamber (\$14,895)
Eugene Area Chamber (\$34,200)

- 2) Allocate \$171,000 from Strategic Opportunity Reserve funds to assist Jody Coyote with relocating 25 jobs to Eugene.

The total amount of video lottery funds recommended for award is \$457,897.

The total amount of video lottery funding currently available is \$600,000, comprised of \$200,000 in the strategic investment fund and \$400,000 in the strategic opportunity reserve fund. (These totals reflect the budget changes recommended in Supplemental 1 to be acted on by the Board on December 13, 2006).

Under the RFP rules, the strategic investment funds are initially allocated in the following categories of development in these amounts: Business Development, \$100,000; Workforce Development, \$100,000. In addition, the strategic opportunity reserve account funds may be awarded at anytime in fiscal year 2006-07. Funds in the strategic opportunity reserve account, and any strategic investment funds not awarded in the initial proposal cycle, may be awarded through the Open Proposal Cycle,

If the Board approves total project funding in excess of \$200,000, any amount over the \$200,000 will have to be moved by Board Order from the Strategic Opportunity Reserve Fund (General Expense Operational Contingency) to the Strategic Investment Fund (Agency Payments) within the Special Revenue Fund Operational Contingency budget line so that the expenditure can be made. (This is standard procedure each time strategic opportunity reserve fund dollars are allocated).

This agenda items also includes a protest filed by one of the project applicants not recommended for funding. The Board of Commissioners is asked to make a determination on that protest prior to any funding recommendations.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Each year, the Board of Commissioners makes video lottery funds available through the Strategic Investment fund for job creation and work force development projects.

In August 2006 the Economic Development Standing Committee to the Board of Commissioners released a request for proposals (RFP) to implement the Economic Development Strategic Investment Program, as described in Lane Manual Chapter 4.110(2).

The RFP includes instructions on how the money is to be used, how to prepare a project application, how project applications will be scored and how to file a protest to the RFP procedures.

Outreach was undertaken to notify local businesses and organizations about the available funding. Outreach included direct contact to more than 50 local organizations, press releases that generated at least three newspaper stories, information on the county web site and notices in the Register Guard. Twenty-five people attended an information session held in September at the County Public Service Building.

The county received 14 project proposals, which appears to be the most ever received in any single round. Of those, 13 were judged to meet the criteria for funding consideration.

The 13 project proposals went through an extensive review and ranking process by the EDSC, leading to seven projects receiving funding recommendations. After discussions with the majority of the project applicants recommended for funding, the EDSC recommended that each of those projects be funded at 75% of their requested amounts. The project applicants have all submitted revised project budgets, which are contained in the project binder available for review from the Board Secretary.

This action was followed by a subcommittee of the Lane Economic Council reviewing all of the applications as part of the Lane Economic Council recommendations review process as identified in the Lane Manual. The LEC subcommittee found the same seven projects worthy of being recommended for funding.

The LEC, on November 20, then reviewed their subcommittee recommendations and the EDSC recommendations. After careful deliberation, that committee voted to endorse the EDSC recommendations with a caveat: "that they be funded with flexibility to enable retention of reserve funds in the program that would be available for allocation at a later time."

The Board of Commissioners, during the budget process, allocated \$200,000 in the strategic investment fund to be applied to projects in the initial and open economic development cycles.

In addition, the Board has created a strategic opportunity reserve fund. After previous expenditures allocated by the Board during this budget year, there is currently just over \$400,000 in the strategic opportunity reserve fund. (These totals reflect the budget changes made in supplemental 1).

B. Policy Issues

The Board has the following policy issues to consider:

- 1) Where all of the projects scored fairly and in an unbiased manner?
- 2) Should all of the projects be funded as recommended by the EDSC or should additional funds be kept in the strategic opportunity reserve as recommended by the LEC?

C. Board Goals

The awarding of video lottery funds for job creation and training meet the Board's goal to "Work for a strong regional economy to expand the number of family-wage jobs available in Lane County."

D. Financial and/or Resource Considerations

The total amount of video lottery funding currently available is \$600,000, comprised of \$200,000 in the strategic investment fund and \$400,000 in the strategic opportunity reserve fund. (These totals reflect the budget changes recommended in Supplemental 1 to be acted on by the Board on December 13, 2006).

If the Board of Commissioners choose to fund all of the projects in this agenda item, as recommended by the EDSC, that would leave \$142,000 in the strategic opportunity reserve.

Previously, the Board set up the strategic opportunity reserve in case a large opportunity project suddenly presented itself. Currently, there are several large opportunity projects being worked on by the Lane Metro Partnership. It is estimated that each of the projects could use \$100,000 in local funds.

E. Analysis

This section is divided into two categories: 1) Protest of the Evaluation Committee Recommendation and 2) Project Analysis.

Protest of the Evaluation Committee Recommendation

A protest has been filed by one of the applicants who did not receive a recommendation for funding. Attachment E is the protest letter from Alliance Businesses Enterprises LLC. The guidelines for the Board to consider when evaluating the merits of a protest are in Attachment F.

Staff has found that the protest complies with the applicable procedures so must be considered as per the RFP protest procedures: "The [Lane County Administration] department will present the issues of the evaluation committee's recommendation and the protest to the Board of County Commissioners or the county administrator who will carefully evaluate all appeals before making a decision and will state the conclusion reached and the reason in writing."

Alliance Businesses Enterprises LLC states the grounds for protest is " We feel that the process for evaluating the projects that are submitted for funding is unfair and biased to our project/proposal."

The County Community & Economic Development Coordinator was the staff person involved with all aspects of the RFP application and review process. This included attending all meetings where projects were scored and ranked. The following is a summary of the process, including the scoring of the Alliance Businesses Enterprises LLC application.

1) The EDSC followed a deliberate process rating and ranking proposals against the criteria described in the request for proposals in accordance with the Initial Proposal Cycle process. The EDSC followed the Video Lottery guidelines and used the same criteria to score all applications submitted that met the proposal guidelines. The EDSC scored 13 of 14 applications including the one from the Alliance Businesses Enterprises LLC.

2) Individual committee members' scores were totaled and then averaged for each rating criterion, as per the Video Lottery guidelines.

3) The EDSC followed the Video Lottery guidelines and only proposals receiving at least 80% of the total points available (80% = 104 points) were considered for final rating and ranking by the committee. All seven projects recommended for funding received a score of 80% or higher.

4) The Alliance Businesses Enterprises LLC project scored 58 points out of 130, equal to 45 % of the total points available. The overall reason for the low score was the application proposal failed to convincingly describe how the business would accomplish the goals of the project funding. Because the company exhibited no current business or clients, they scored very low in regards to the following evaluation criteria:

- Improve Lane County's net job growth, per capita income, wages, and employment factors.
- The degree to which the capacities of workers will be enhanced and improved;
- The degree to which the results of the program will promote future development and what funding of this project will do for community in the long term;
- The commitment of other agencies and organizations to work toward the project goals by the degree to which they are willing to commit funds and other resources to the project.
- How public or private sector organizations are working in partnership to develop new and innovative ways of accomplishing economic development goals, and the relevance of the proposal to a strategic plan or regional economic development goal to create or retain jobs.

5) A subcommittee of the LEC also reviewed each project that met the proposal guidelines (13 of 14). The subcommittee ranked projects by placing them in three categories: A, B and C. "A" being the highest and "C" the lowest. The Alliance Businesses Enterprises LLC project was placed in the "C" category, along with five other projects. The LEC subcommittee members cited similar problems with the application including no evidence

6) The LEC subcommittee gave a report to the LEC on each project. The LEC also received a report on the EDSC rankings. The LEC did not recommend the Alliance Businesses Enterprises LLC project for funding.

7) The Alliance Businesses Enterprises LLC applications was read and ranked by 9 separate people – all ranked this proposal among the lowest projects scored.

Community and Economic Development staff carefully reviewed each of the examples cited by Alliance Businesses Enterprises LLC as "proof" of the bias. Staff also witnessed all EDSC deliberations and discussions and saw no evidence of bias on the part of the EDSC.

Following is a bulleted list addressing some of the specific complaints in the protest.

- At the time of the protest, the Board of County Commissioners has not allocated funding to any of the current applicants. Funding recommendations had been made by the EDSC, but no proposals have been awarded any funding yet.
- Past applicants, including those who have received funding, are allowed to apply for funding and are scored through the same process as all applicants received.

- BRING was not scored during the first round of scoring due to a belief by EDSC members that a rule had been adopted not to fund applicants that were currently being funded. Upon staff review, no adopted policy was found and the project was scored.
- BRING is the only applicant being considered that has an open application from a previous year.
- The Jody Coyote project is ready to go and in fact needs to be completed during January. Funds were not set aside for them. The EDSC proposed funding them from the Strategic Opportunity Reserve because of the size of the project.
- The comment by one of the EDSC members about no contracts exhibits the concern about the project, how does a business succeed without contracts or clients? And if they do go on to become successful, then there is other types of funding they can secure.
- For-profit companies are eligible applicants. Video Lottery funding has often been used as “gap funding” or leverage funding for for-profit companies. The availability of loan funds was looked at for the two business recommended for funding.
- The lack of any income producing contracts or clients by Alliance Businesses Enterprises LLC was part of the evidence used by EDSC in evaluating the project.
- The proposed job created by the Alliance Businesses Enterprises LLC project was to be paid from the video lottery grant funds. The proposal did not demonstrate or substantiate any evidence of creation of family-wage permanent jobs once the grant ended, one of the scoring criteria.
- The applicants who are recommended to receive funding, including those that have received past funding, were the highest scoring projects reviewed by the EDSC and the LEC, unlike Alliance Businesses Enterprises LLC.
- Small businesses are not penalized for being small businesses. Emerging businesses need to demonstrate their potential for success. The Board of Commissioners has used video lottery funding on numerous occasions for projects the supported start-up and emerging businesses.

Based on all of the evidence, the Community & Economic Development Coordinator recommends the Board finds the protest submitted by the Alliance Businesses Enterprises LLC to be without merit.

Analysis of Recommended Project

The County received a lot of good projects. Some clearly met the goals of the funds better as evidenced by all of the scorers recommending the same seven projects for funding.

The EDSC scored the projects in nine different categories:

- 1)Addresses Lane County Strategic Plan economic development goals (25 points)
- 2)Increases work readiness (15 points)
- 3)Readiness to proceed (15 points)
- 4) Opportunities for future development (20 points)
- 5)Leverage of other funds (15 points)
- 6)Partnerships (10 points)
- 7)Budget presentation (10 points)
- 8)Audit and accounting adequacy (10 points)
- 9)Promotes sustainable use of resources and energy (10 points)

Proposals were rated and ranked against other proposals submitted in the same category. A project had to receive 80% of the 130 points possible to be considered for a funding recommendation.

In order to fund all of the projects that met the 80% criteria, the EDSC recommended funding the projects at 75% of their requested funding. The EDSC and County staff have discussed the 25% funding cut recommendation with the project applicants. The applicants feel very comfortable that the budget changes still allow the projects to be successful. The funding cut did reduce the outcomes for each of the projects as explained in the updated packages that each has submitted. (The complete packages are available in the binder from the Board Secretary).

Riverfront Innovation Center Lab Rehab/ University of Oregon

Proposal Title / Organization	Amount Recommended for funding	POINTS	Job Impact
Riverfront Innovation Center Lab Rehab/ UofO Research Services Administration	\$47,355	112	8-15

The University has identified the need for turn-key, equipped labs for scientific start-ups. This project seeks funding to create functional labs for bio-tech & nano-tech startups at the Riverfront Innovation Center. The majority of the lab cabinetry, furnishing and equipment were recently donated to the Center by Molecular Probes/Invitrogen. However, the Innovation Center does not have funding for the

installation of the lab equipment. The project is ready to proceed immediately upon funding, and three start-up companies have already expressed interest in using the labs.

The Riverfront Innovation Center has a proven history of incubating successful start-ups that have created local family wage jobs.

Good Manufacturing Practices Certification/ Earth Lab

Good Manufacturing Practices Certification/ Earth Lab	\$40,447	110	Retain 16, Create 6-8 new
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Earth Lab, dba as Wise Women Herbals is a manufacturer and distributor of traditional whole herb and dietary and health supplements. The business is located in Creswell and has grown from 6 employees in 2002 to 16 employees today. The company now faces implementing new regulations imposed by the Food and Drug Administration on the health supplements industry. Earth Labs is requesting video lottery funds to buy new manufacturing equipment that will meet the FDA regulations. The Lane Workforce Partnership has awarded the firm funding to train its employees on the new equipment. This project is ready to go immediately upon funding. With the funding the company also projects the creation of 6-8 new jobs.

This is a unique opportunity to assist a growing business in rural Lane County, which also buys 50% of its raw materials from local farmers.

Catch the Wind/Fern Ridge Chamber

Catch the Wind/Fern Ridge Chamber	\$14,895	107.25	3
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The Fern Ridge Area Chamber of Commerce is seeking \$19,860 to undertake a business development project that will have an outcome of the creation of 3 new jobs. The goal is to increase the number of permanent jobs and diversify the economy of Veneta and the surrounding Fern Ridge Area by focusing on value added-businesses in the Natural Resources Cluster. The project collaborators will assist 10 micro-businesses to transition into small businesses and contact and market Fern Ridge to 55 businesses. They will work with existing business and support them while encouraging financial growth through a BAT and CONTACT program. In addition they will focus on partnering with CVALCO and the wineries to look for opportunities to support and expand industry.

This project is a good opportunity to bring business development techniques that have proven to be successful in Eugene into a rural area.

Business Retention, Expansion, Development Programs/Eugene Area Chamber

Business Retention, Expansion, Development Programs/Eugene Area Chamber	\$34,200	104.75	125
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The request is for funding to continue the Chambers successful CONTACT program and International Trade Promotion. The programs are aimed at retaining and creating family-wage job opportunities for Lane County residents by concentrating on the needs of multiple existing businesses. The outcome of the Chamber initiatives are to add 125 new higher than average family-wage jobs and help to retain over 4,200 existing jobs.

These programs also provide added economic diversification and stability by helping area businesses to expand their markets worldwide. Businesses are targeted to retain and expand the number of jobs that provide above average wage levels for Lane County residents. These industries include manufacturing (including natural resources, recreational vehicles, and sports equipment), research and development, high technology, life technologies, software development, customer contact center and others.

Jody Coyote

Proposal Title / Organization	Amount Recommended for funding	POINTS	Job Impact
Business Relocation/Jody Coyote	\$171,000	141	25+

The highest scored application was the Jody Coyote project proposal. This is a request for funding to assist the move to Eugene of a business the company purchased in Oklahoma. The move will result in the creation of 25 new jobs in Eugene.

During the EDSC and LEC discussions, the Jody Coyote project was identified as exactly the type of project that the strategic opportunity reserve seemed to be created for.

As a follow-up to their application package, we requested a budget tied to the timeline of the move with specific project expenditures. That has been provided and I have had time to review it. It is a very quick project. The main reason for that is the lease on the building in Oklahoma is expiring in January and Jody Coyote wants to get the business here, rather than enter into a new lease there.

The relocation project is just one part of a large expansion project that Jody Coyote is currently undertaking. County staff has met with the one of the principals of the company and taken a tour of their new facilities in the Greenhill Technology Park. Staff has discussed the overall expansion with the other local economic development professionals who are assisting the company with expansion related financing. We have been assured that all of the other funding needed by the company is now in place.

RV Consortium

Proposal Title / Organization	Amount Recommended for funding	POINTS	Job Impact
RV Road to Success/Lane Workforce Partnership	\$75,000	121.6	Training

The second highest rated project, this is the only training project being recommended for funding.

The outcome of the project is 9-12 internships will be created at the RV companies and 90 workers will be trained in Lean/High Performance Manufacturing.

The proposal applicant, the Lane Workforce Partnership, originally requested \$100,000 for the project. The EDSC recommended funding the project at \$75,000.

The updated budget submitted by the Workforce Partnership shows one-third of the budget directly related to the training. Sixty-two percent of the budget goes to pay the salary of the RV Consortium Coordinator. (The updated package is available in the binder from the Board Secretary).

BRING Recycling

Proposal Title / Organization	Amount Recommended for funding	POINTS	Job Impact
Planet Improvement Center/ BRING Recycling	\$75,000	109	6

This application is a request for funding to complete the Planet Improvement Center. The County previously awarded \$100,000 for this project. At that time, BRING had requested \$150,000. They were told to resubmit a new application in the next cycle for the difference. Since that time, construction costs have increased. In this cycle, BRING requested \$100,000. The EDSC recommended \$75,000 in funding.

F. Alternatives/Options

The Board may:

- 1) Approve ORDER awarding grants as recommended by the EDSC, or
- 2) Determine to award only some grants, at either reduced or full funding levels or
- 3) Decide not to award strategic economic development funds at this time.

Economic development project funds not awarded at this time are kept in their respective funds and may be used by the Board to fund other projects.

IV. TIMING/IMPLEMENTATION

Upon Board approval of funding for projects, staff will work with project applicants to get contracts in place. This process will begin immediately with a priority on the projects that have an immediate need for funding. Once prepared, contracts will be sent through County Counsel review process and prepared for signing by the County Administrator.

V. RECOMMENDATION

The EDSC recommends awarding funding to seven projects, six of which are at a reduced funding level from what was originally requested.

The LEC agrees with the EDSC recommendation, but added “that they be funded with flexibility to enable retention of reserve funds in the program that would be available for allocation at a later time.”

In addition to a motion by the LEC recommending projects to the BCC, the LEC passed a section motion that requested that the Board of Commissioners do not consider funding any projects not recommended by the EDSC.

Regarding the protest that was filed, based on all of the evidence, staff recommends the Board finds the protest to be without merit.

VI. FOLLOW-UP

Staff will keep the EDSC updated on all project elements. Any issues needing Board attention will be brought to the Board in a timely manner.

VII. ATTACHMENTS

A: Board Order

B: Specific selection criteria and review/ranking process from the Lane County 2006-07 Economic Development Request For Proposal

C: Summary scoring sheet for all projects

D: Funding recommendation from the Lane Economic Development Committee of Lane Council of Governments.

E: Protest letter from Alliance Businesses Enterprises LLC.

F: Protest procedure from the RFP

Note: The full RFP, announcement publication notice, the EDSC Final RFP Rating and Ranking score sheet and the fourteen (14) applications received in the Initial Proposal Cycle, including any changes made upon request of the EDSC are in a binder available from the Board Secretary.

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) ORDER/IN THE MATTER OF AWARDING
) CONTRACTS FOR STRATEGIC INVESTMENT
) PROJECTS SELECTED THROUGH THE 2006
ECONOMIC DEVELOPMENT RFP INITIAL
PROPOSAL CYCLE AND AUTHORIZING THE
COUNTY ADMINSTRATOR TO SIGN PROJECT
CONTRACTS.

WHEREAS, the Lane County Board of Commissioners established a policy for distributing video lottery economic development funds that is adopted in Lane Manual Chapter 4, and

WHEREAS, the Lane County Board of Commissioners previously authorized release of a request for proposals (RFP) for the Economic Development Strategic Investment Program, and

WHEREAS, the Economic Development Standing Committee has completed rating and ranking of proposals received in accordance with the RFP, and

WHEREAS, the Lane County Board of Commissioners has reviewed the ranked list of projects and determined those that are in the public interest to fund, now, therefore, IT IS HEREBY ORDERED that the following Lane County Strategic Investment Projects are awarded in the amounts indicated:

- a. U of O Riverfront Innovation Center: \$47,355
- b. Earth Lab: \$40,447
- c. Fern Ridge Chamber: \$14,895
- d. Eugene Area Chamber: \$34,200
- e. Jody Coyote: \$171,000
- f. Lane Workforce Partnership: RV Consortium : \$75,000
- g. B.R.I.N.G. Recycling, Planet Improvement Center: \$75,000

and it is

FURTHER ORDERED that \$260,000 is moved from the Strategic Opportunity Reserve Fund (General Expense Operational Contingency) to the Strategic Investment Fund (Agency Payments) within the Special Revenue Fund to be used for funding the above projects, and

FURTHER ORDERED that the County Administrator is authorized to sign the contracts authorized under this Order.

Signed this 13th day of December, 2006.

Bill Dwyer, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM
Date 12/16/06 Lane
County


OFFICE OF LEGAL COUNSEL

Selection Criteria & Review/Ranking Process
Excerpt from
Lane County 2006-07
Economic Development Request For Proposal

Part 10. What is the proposal evaluation and award process?

Initial Proposal Cycle. Each proposal will be reviewed by the Economic Development Standing Committee (EDSC) to the Board of County Commissioners (BCC). Proposals will be preliminarily scored based on the criteria detailed in Parts 11 and 12. Proposals will be initially rated and ranked against other proposals submitted in the same category. Individual committee members' scores will be totaled and then averaged for each rating criterion. Proposals receiving at least 80% of the total points available (80% = 96 points) will be considered for final rating and ranking by the committee. An 80% or higher score does not assure a project will be recommended or funded. Rating and ranking of proposals will be completed by the Economic Development Standing Committee.

The Economic Development Standing Committee will make funding recommendations to the Board of County Commissioners in accordance with the schedule in Part 9, above. The committee will specify an allocation for each project that is recommended for award. Applicants may not receive all funds requested. EDSC may choose not to recommend any awards in the Initial Proposal Cycle process.

The initial proposal cycle under this RFP is complete when the Board of County Commissioners awards projects or closes the cycle as per the schedule in Part 9.

Open Proposal Cycle. Any eligible applicant, as defined in Part 5, may apply in the Open Proposal Cycle, and participation in the Initial Proposal Cycle is not a prerequisite. Consideration, rating and ranking of Open Proposal Cycle projects will begin after the Initial Proposal Cycle is complete, as shown in Part 9. After the Initial Proposal Cycle is complete, the EDSC (on its own or at the request of an unsuccessful applicant from the Initial Proposal Cycle under this RFP) may reconsider, clarify, request and collect additional information about projects, negotiate with applicants and re-rate and re-rank proposals. However, in reconsidering a prior proposal, the committee would likely expect to see some substantial change in order to warrant reconsideration.

Upon receipt of a proposal determined to be eligible for consideration, Lane County may then place an ad in a newspaper of general circulation soliciting letters of interest for any other projects. Letters of interest (LOI) will be received from potential applicants for a period of two weeks from the publication of the notice. If a LOI is received in the designated period, all interested parties will be sent notice that two additional weeks from the date of the letter will be allowed to submit their complete proposal(s) under the open proposal cycle guidelines. The same process as in the initial proposal cycle for rating, ranking and recommending awards will be followed for the open proposal cycle. An open

proposal cycle application must receive 80%, or more, which equals 96 points or more, to be eligible for consideration of an award (assuming availability of funds).

All Cycles. In order to complete the final ranking in the initial proposal and open proposal cycles, the committee may call applicants for interviews to clarify the written proposals, seek additional written information or ask follow-up questions. Information derived from this additional inquiry will be used in the final rating and ranking of proposals. The committee will use its good faith judgment and discretion based on the criteria described in this RFP. The Economic Development Standing Committee will make funding recommendations to the Board of County Commissioners. The committee will specify an allocation for each project that is recommended for award. Applicants may not receive all funds requested.

Awards will be made to those proposals that best meet the requirements set forth in this RFP and that most benefit Lane County residents. Lane County reserves the right to waive minor irregularities and may reject any proposal not in compliance with all prescribed public procedures and requirements, and may reject for good cause any or all proposals upon a finding that it is in the public interest to do so. Lane County also reserves the right to negotiate the scope of work based on any additional clarification or follow up responses and on the proposed budget as it is affected by negotiating the scope of work. If a proposal is submitted for professional services, the contract form (Attachment E) may be modified to appropriately reflect the applicant's labor standards requirements.

Part 11. What are the required format and sequence requirements?

To be considered for funding, proposals must be complete and meet the evaluation criteria cited below. (The county may reject a proposal not meeting any one of the following criteria).

Required Format

One Original and Seven copies of the completed proposals

- ✓ 12-point font (applies to narrative only)
- ✓ No less than 1 inch margins on 8 ½ x 11 size paper
- ✓ No additional materials, e.g., tapes, videos, appendices or additional cover sheets
- ✓ No spiral bindings
- ✓ No faxed, e-mailed, late, or incomplete proposals. If incomplete they will be neither accepted nor reviewed.

Required Sequence:

Section 1 - Complete and signed Proposal Cover Page

Section 2 - Project Summary

Section 3 - Project Narrative

Section 4 - Accurate Budget Proposal and Narrative

Section 5 - Project Performance Measures and Targets

- Section 6 - Signed Program Assurances
- Section 7 - Letters of Support
- Section 8 - Previous Project Status Report (Existing contractors with Lane County, only)

Part 12. What are the evaluation criteria for the proposal and budget narratives?

After considering the requirements in Part 11, the proposals will be evaluated on the information presented in all sections of the proposal. Answers will be evaluated, rated and ranked by the Economic Development Standing Committee (as described in Part 10) on how well they meet the program scoring criteria, below. Additionally, other factors, as set forth in the Proposal Description will be considered within this evaluation.

1) Addresses Lane County Strategic Plan economic development goals (25 points) – Measures the degree to which the project will:

- Improve Lane County’s net job growth, per capita income, wages, and employment factors;
- Target the following Lane County Cluster industries: Natural Resources; Recreation vehicles and sporting equipment; Life Technologies, Customer Contact Center;
- Connect and link rural areas of the County with Eugene and Springfield to meet economic development goals.

2) Increases work readiness (15 points) – Measures the degree to which the capacities of workers will be enhanced and improved to work in the changing economy.

3) Readiness to proceed (15 points) – Evaluates if the project is ready to begin immediately upon funding award.

4) Opportunities for future development (20 points) – Evaluates the degree to which the results of the program will promote future development of industrial, commercial, and residential facilities, expands global economic opportunities, produces local products or services, increases the tax base and reduces future financial responsibilities of government. Evaluates what funding of this project will do for community in the long term.

5) Leverage of other funds (15 points) – Measures the commitment of other agencies and organizations to work toward the project goals by the degree to which they are willing to commit funds and other resources to the project.

6) Partnerships (10 points) – Evaluates how public or private sector organizations are working in partnership to develop new and innovative ways of accomplishing economic development goals, and the relevance of the proposal to a strategic plan or regional economic development goal to create or retain jobs. Community outreach and public information activities aspect of the project will also be evaluated.

7) Budget presentation (10 points) – Evaluates how the budget and budget narrative thoroughly discuss the project costs and shows the budget is reasonable and consistent with the proposal as a whole. Demonstrate the need for the funding: will this project happen with this funding? Does a lack of funding jeopardize the project?

8) Audit and accounting adequacy (10 points) – Measures the extent to which the applicant accounts for project funds separately from other programs, minimizes overhead costs, and provides a clear method of reporting project expenses and related results.

9) Promotes sustainable use of resources and energy (10 points) – Develops employment in industries using renewable resources and energy, and/or emphasizes reduced carbon production and more efficient use of resources through energy efficiency and renewable energy, conservation, recycling, green building, organic and natural foods, natural commercial and consumer products, sustainable transportation or other programs that produce measurable results.

Part 13. How is the budget evaluated?

In addition to the over all rating criteria described in Section 12, the committee will apply the following factors when evaluating the budget proposal and narrative describing the budget.

- ✓ Expenses are reasonable, necessary and reflect current cost trends to complete the proposed scope of work.
- ✓ Expenditures are clearly described , reflect all project activities, and relate directly to project activities, outputs and outcomes.
- ✓ Expenditures described in the budget narrative clarify the budget figures.

Proposal Title / Organization	Amount Requested	Amount Recommended for funding	Project Description	POINTS	Job Impact
Business Relocation/Jody Coyote	\$171,000	Actual amount needed	Assist in relocating business that was acquired by Jody Coyote to Eugene.	141	25+
RV Road to Success/Lane Workforce Partnership	\$100,000	\$75,000	Training, internship program for youth, plus staffing of RV Consortium	121.6	Training
Riverfront Innovation Center Lab Rehab/ U of O Research Services Administration	\$63,140	\$47,355	Create functional labs for bio-tech & nano-tech startups	112	8-15
Good Manufacturing Practices Certification/ Earth Lab	\$53,929	\$40,447	Funding for manufacturing equipment to meet new FDA regulations	110	Retain 16
Planet Improvement Center/ BRING Recycling	\$100,000	\$75,000	Complete the remaining installations required to move into their new site in Glenwood.	109	6
Catch the Wind/Fern Ridge Chamber	\$19,860	\$14,895	Implement a Business Assistance Team and marketing program to assist local businesses and recruit new businesses	107.25	not projected
Business Retention, Expansion, Development Programs/Eugene Area Chamber	\$45,600	\$34,200	Fund the CONTACT program and buy software to assist tracking and follow-up of issues	104.75	125

Menu Network Launch/Menu Network	\$150,000	\$0	Fund start-up online marketing company serving restaurants. Project includes a call-center component	81	
Broadway Redevelopment/ City of Veneta	\$24,900	\$0	Assistance in developing design & construction documents for town center	75	
Festivals Development/ Event Managers LLC	\$35,000	\$0	Purchase equipment enabling the Event Managers LLC to provide equipment at no cost to festivals.	67	
Synergy Square/Tarantola Foundation	\$200,000	\$0	Build 30 live and work spaces by 2008	64.75	
Section8Voucher.org/ Alliance Business Enterprises	\$78,760	\$0	Fund business startup providing software and services to Public Housing Authorities	58	
Rural Transit Training/South Lane Wheels	\$173,563	\$0	Funding for training and staffing of bus drivers	44	

Lane County Economic Development Projects Review and Comment by the Lane Economic Committee November 7, 2006

Background

Lane County has asked the Lane Economic Committee for "review and comment" of the applications for funding under the Lane County Economic Development Strategic Investment Program. A subcommittee of the LEC met on 11/7/06 to review these applications. Serving on the subcommittee were Robert Scoggin, Lynnette Wikstrom, Kari Westlund, Jay Bozievich and Denny Braud. The committee reviewed 13 applications.

Analysis

The subcommittee of the LEC concluded that five applications stood apart from the rest in terms of their impact on economic and community development and other measurement factors. The committee had a consensus on all of these projects. The five projects are as follows (and are listed in no particular order):

"A" List			
Project Title	Project Description	Grant Request	Subcommittee Comments
University of Oregon Riverfront Innovation Center Lab Rehab	Create functional labs for bio-tech & nano-tech startups	\$63,140	Highly ranked by all members. Great project. Labs are already pre-leased. A related project was also highly ranked on the Needs & Issues list.
Fern Ridge Chamber of Commerce: Catch the Wind	Implement a Business Assistance Team and marketing program to assist local businesses and recruit new businesses	\$19,860	Good recruitment element. Ready to go. Very active Chamber leadership in this community.
Jody Coyote Relocation	Assist in relocating business that was acquired by Jody Coyote to Eugene. Creation of 25 relocated jobs.	\$171,000	Rapidly growing company. This is a one-time opportunity. Perhaps fund this project out of reserves. Can we tie the grant amount to a reimbursement of moving expenses and expenditures for new equipment?
Eugene Area of	Fund the CONTACT program and buy	\$45,600	We recommend a one year funding only.

Commerce: Business Retention, Expansion, Development Programs	software to assist tracking and follow-up of issues		Good project with solid historical results.
Lane Workforce Partnership: RV Consortium – Road to Success	Training, internship program for youth, plus staffing of RV Consortium	\$100,000	Good education and training outcomes. Critical industry cluster in Lane County.

The subcommittee deemed two other projects to be attractive and important but not quite at the level of the top five projects listed above. Lane County may want to reconsider these applications should additional funding become available. These intermediate projects are as follows:

“B” List			
Project Title	Project Description	Grant Request	Subcommittee Comments
Earth Lab dba Wise Woman Herbals: Good Manufacturing Practices Certification	Funding for manufacturing equipment to meet new FDA regulations	\$53,929	Good match. Well conceived application. Some questions regarding economic and job impact.
Bring Recycling: Planet Improvement Center	Complete the remaining installations required to move into their new site in Glenwood	\$100,000	Good project. Can they provide more match? Should we fund construction overrun?

The subcommittee reviewed the remaining applications and found that they did not fully meet the economic evaluation criteria or else did not fully match the purpose of the Economic Development Strategic Investment Program.

"C" List			
Project Title	Project Description	Grant Request	Subcommittee Comments
South Lane Wheels: Rural Transit Competitive Compensation and Training Proposal	Funding for training and staffing of bus drivers	\$173,563	Important program. No match. Does not match goals and criteria of the Strategic Investment Program.
City of Veneta: Broadway Mixed Use Redevelopment Area	Assistance in developing design & construction documents for town center	\$24,900	Planning project. Does not match goals and criteria of the Strategic Investment Program.
Tarantola Community Foundation For Lane County: Synergy Square	Build 30 live and work spaces by 2008	\$200,000	Uncertain economic impact. Questions regarding feasibility of the business plan. Does not match goals and criteria of the Strategic Investment Program.
The Event Managers, LLC: Lane County Festivals Development	Purchase equipment enabling the Event Managers LLC to provide equipment at no cost to festivals	\$35,000	Good concept. Festivals need support. Questions regarding feasibility of the business plan. Does not match goals and criteria of the Strategic Investment Program
Alliance Business Enterprises, LLC: Section8Voucher.Org	Fund business startup providing software and services to Public Housing Authorities	\$78,760	Uncertain economic impact. Questions regarding feasibility of the business plan. Does not match goals and criteria of the Strategic Investment Program
Menu Network Launch and Call Center Development	Fund start-up online marketing company serving restaurants. Project includes a call-center component	\$150,000	Uncertain economic impact. Questions regarding feasibility of the business plan. Request is for venture capital financing. Does not match goals and criteria of the Strategic Investment Program

Alliance Business Enterprises, LLC
Section8voucher.org
116 Hwy. 99 N. Suite 204
Eugene, Oregon 97402
(541) 762-2424

November 20, 2006

Lane County Administration Department
Attention: Mike McKenzie-Bahr
Community and Economic Development Coordinator
Community and Economic Development Program
125 E. 8th Avenue
Eugene, OR 97401

Dear Mike McKenzie-Bahr:

We are writing this letter to officially protest the results from the Lane County Economic Development Standing Committee decision regarding the Economic Development Strategic Investment Program RFP, and this is our Letter of Protest.

We feel that the process for evaluating the projects that are submitted for funding is unfair and biased to our project/proposal.

The number one priority and purpose of the funding as stated in the project description set forth by the Economic Development Program is job creation and retention in Part 1.1 and Workforce Development in Part 1.2.

We believe the committees are NOT being fair with start up and emerging business like ours. Even though it encourages and states in the Part 1.1; "Business Development: Programs and projects that encourage business growth and investment, such as business attraction, retention and expansion, tourism, and start-up and emerging businesses"

We believe our project/proposal has satisfied both of the requirements of part 1.1 (Business Development) and part 1.2 (Workforce Development). However, we believe because we are a SMALL and START-UP, EMERGING company, we were not given a chance to compete.

Additional proof is, as you can see from the LISTINGS companies that are receiving the 2006 Grant Funding, most of them are bigger companies and have a connection from the previous Grants and Lane County.

For example:

1. The Committees approve to give BRING Recycling another score after they got 0 score from the first meeting, and the purpose for the funding is for Creating a SHELFF (if we're not mistaken), so means the jobs that will be created is a temporary. And they also receive the funding from the previous year. However, they got high score and receive the funding even though they are a profit company already.

Thank you for your time and consideration. I am looking forward to hearing from you soon.

Regards,

Frank Tang
Alliance Business Enterprises, LLC

Lane County Economic Development Standing Committee Protest Procedures

1. Commenting on or Protesting Process or Specifications

Proposers may protest the competitive selection process or provisions in this solicitation document including terms or composition of the selection committee pursuant to LM 21.105(6). Proposers may comment on, or object to any of the specifications of this RFP document, including but not limited to composition of the selection committee, which they believe limit competition or any contract terms with which they disagree.

Comments must be in writing and submitted to the Lane County Administration Department, Community and Economic Development Program, 125 E. 8th Ave., Eugene, OR 97401, Attention: Mike McKenzie-Bahr, Community and Economic Development Coordinator, no later than October 1, 2006 at noon. Protests should be clearly marked "Solicitation or Contract Provision Protest" and include identification of the RFP involved in the protest. Comments will be reviewed by the department staff. If the comments are determined to be valid by the department, an addendum to the RFP will be issued to all applicants.

2. Protesting the Evaluation Committee Recommendation

Initial Proposal Cycle. Proposers may protest the intent to award/evaluation committee's recommendation pursuant to Lane Manual 21.107 (14). Any applicant who is not recommended by the Economic Development Standing Committee for contract award in the Initial Proposal Cycle may appeal the committee's recommendation in the following manner. The protest must be made in writing and submitted to the Lane County Administration Department, 125 E. 8th Ave., Eugene, OR 97401, Attention: Mike McKenzie-Bahr, Community and Economic Development Coordinator, no later than 5 days after notice of recommendations are sent to applicants. Protest should be clearly marked "Protest" and include identification of the RFP involved. Any protest that does not comply with the applicable procedures may be rejected.

Open Proposal Cycle. Any applicant who is not recommended by the Economic Development Standing Committee for contract award in the Open Proposal Cycle (beginning about 11/02/06 and ending 04/29/07 at 2 p.m.) may protest the committee's recommendation in the following manner. The protest process is the same as the above for the Initial Proposal Cycle, except the date to appeal by is based on 5 days from the date notice is sent to all applicants of the recommendation to award a project in the Open Proposal Cycle. Protests should be clearly marked "Protest of Recommendation to Award" and include identification of the RFP involved in the protest.

In the Initial Proposal Cycle and the Open Proposal Cycle, the protest must clearly state the grounds for protest and describe the conditions which, in the applicant's view, resulted in their proposal not being recommended for award. Among the grounds for protest are:

- (i) Different criteria were used to evaluate different proposals.
- (ii) The evaluation committee unfairly applied the evaluation criteria to a proposal.

- (iii) A member or members of the evaluation committee had a relationship with a proposer that represented a conflict of interest.
- (iv) The criteria used to evaluate the proposals did not pertain to the services or products requested.
- (v) A member or members of the evaluation committee demonstrated bias toward a proposal or a proposer.
- (vi) The County abused its discretion in rejecting the protestor's proposal as nonresponsive.
- (vii) The evaluation of the proposals is otherwise in violation of any application provisions of ORS 279A.

Upon receiving a protest, the department will notify the applicant(s) who was recommended for contract award and the evaluation committee. That applicant and the evaluation committee may respond in writing to the appeal up to 12:00 noon on the seventh (7th) regular working day after the department received the appeal.

The department will present the issues of the evaluation committee's recommendation and the protest to the Board of County Commissioners or the county administrator who will carefully evaluate all appeals before making a decision and will state the conclusion reached and the reason in writing.