

Request for Proposals

FOR

Regulation CF Evaluation

Addendum No. 1

Date: October 26, 2022

INSTRUCTIONS

Offerors shall include, either in the proposal cover page, as a separate memorandum, or as part of the price offering portion of the proposal, the following: “Offeror confirms that it has read and understands the information contained in Addendum No. 1.”

Answers to questions received are provided in red below. Particularly, please note the bolded question below.

1. Is The Partnership seeking Reg CF analysis specific to crowdfunding platforms with a localized geographic scope (i.e., Nvsted and St. Louis) or crowdfunding platforms in general (i.e., [SeedInvest](#), [StartEngine](#))?
 - **The Partnership seeks an analysis that will identify best practices across the spectrum of crowdfunding platforms, whether localized to a geographic area or nationwide, that can then be applied successfully to enhance Nvsted’s localized approach in St. Louis.**
2. Item C, Question 2 looks at how “other economic development organizations used Reg CF portals or other forms of crowdfunding to enable underrepresented communities better access to markets?”. Is the ask here for full-scale benchmarking of STL compared to other communities?
 - **This request is related to the Partnership’s desire to develop an inventory of what other communities are doing/have done in this area.**
3. Will The Partnership provide access to a list of known St. Louis MSA companies that have utilized Reg CF fundraising? If yes, have these companies agreed to have their funding models analyzed for this project?
 - **The Partnership does not have access to information relevant to this inquiry.**

4. Is there an intended maximum budget for this project?
- The Partnership's practice is not to provide budget information related to an ongoing procurement.

REVISIONS FROM ORIGINAL RFP

Revision 1: Please note that the schedule for Submission of Proposals has been updated as reflected below:

To be considered, proposals must be received no later than **3 PM CST on Friday, November 4, 2022**. Proposals received after the deadline identified above may not be considered.

Schedule

RFP Newspaper Advertisement	October 6, 2022
Questions Submitted by	October 27, 2022
Questions Answered by	October 28, 2022
Submission of Proposals by	November 4, 2022

Questions about this RFP should be sent by email to hbean@stlpartnership.com. Any answers to questions will be provided to all interested parties and released as an addendum to this RFP on the Partnership's website, <https://stlpartnership.com/rfp-rfq/>, on the date indicated above.

No other provisions of the RFP are affected by this addendum. All other terms and conditions from the RFP shall remain in effect.

Request for Proposals

Introduction

St. Louis Economic Development Partnership (the “Partnership”) is a nonprofit corporation, established under Section 501(c)(4) of the Internal Revenue Code for the purpose of promoting and developing industry, commerce, and economic development in St. Louis County and the City of St. Louis, creating high-quality business and employment opportunities, and enhancing the quality of life by advancing long-term, diversified growth throughout the St. Louis region.

The Partnership provides administrative services to a Regulation CF (“Reg CF”) entity commonly referred to as Nvsted, formed in 2018 with the intention of providing entrepreneurs the means to fundraise (via crowdsourcing) capital for business endeavors. The Partnership seeks guidance on the market potential for Nvsted in the upcoming five years. Nvsted’s geographic area of concern is the St. Louis Metropolitan Statistical Area (MSA), primarily St. Louis County and the City of St. Louis. The Partnership issues this Request for Proposals for a qualified consultant to provide an analysis and written report of Nvsted, based on the criteria identified herein to identify industry best practices. **Proposals should be sent to hbean@stlpartnership.com on or before 3 PM CST on Friday, October 28, 2022.**

Detailed Scope of Work

The Partnership is seeking professional analysis and advice for Nvsted, in the form of a written report, that minimally addresses the issues outlined below and identifies industry best practices.

A. Executive Summary of Findings

- Based on research and analysis

B. National Reg CF Performance

- How have other Reg CF portals performed since rules for Regulation CF went into effect on May 16, 2016?
 - What is the financial status of the top three Reg CF portals?
 - What is the financial status of the top three crowdfunding portals associated with other economic development organizations?
 - How are they generating revenue? What is their fee structure?
 - What is their annual budget and how many employees are involved?
 - How has their revenue trended? Is revenue growing year-to-year?
 - Are there issues supportive or obstructive to the Reg CF industry?
 - What types of businesses dominate Reg CF fundraising? How do they rank in order of: number of deals; number of investors, dollar amounts raised?

- Analyze if other platforms have business funding/assistance available.
- A common obstacle for companies interested in pursuing funding through Reg CF portals can be the upfront fees (accounting, legal, etc.) necessary to meet the requirements to participate. Are there opportunities for companies to seek assistance from other nonprofits or government programs to lower the cost of entry? What are some of those sources of assistance?

C. Diversity, Equity, and Inclusion

- How can a Reg CF platform further economic justice and capital access for underrepresented communities in metro St. Louis?
- How have other economic development organizations used Reg CF portals or other forms of crowdfunding to enable underrepresented communities better access to markets?
- How can a Reg CF platform further immigration and innovation in metro St. Louis?

D. St. Louis Market Potential

- What projections can be estimated for Reg CF fundraising in the St. Louis MSA per year over the upcoming five years (specifically 2024, 2025, 2026, 2027, 2028)?
 - What companies have used crowdfunding of any type in St. Louis?
 - What types of businesses in metro St. Louis would be best fits for Nvsted?
 - How many companies/issuers have initiated funding through crowdfunding?
 - How many investors have participated in funding businesses through crowdfunding?
 - What is the average amount raised per campaign?
 - What is the total aggregate amount raised each year?
- With which organizations and institutions in St. Louis should Nvsted seek partnerships to drive local St. Louis Reg CF activity on the Nvsted platform? Among other questions, please consider:
 - Are there opportunities to utilize the Nvsted platform to democratize the selection of public works projects in the St. Louis MSA and to drive local funding and support for the same?
 - Are there opportunities to utilize the Nvsted platform as a matching or “proof-of-concept” mechanism for local venture capital vehicles?
- How does Reg CF capital fundraising compare to traditional economic development capital tools such as the SBA’s 504 loan program? Can Reg CF fill a gap where SBA 504 loans are not able to be offered?

E. Proforma Operational Five-Year Budgets

- Based on the above projected Reg CF activity over the upcoming five years, what revenue projections can be estimated for Nvsted to set an operating budget during the individual years of 2024 to 2028?

- Evaluating the cost to maintain and operate Nvsted, how would Nvsted’s own operating revenue/expenses compare to an alternative arrangement where Nvsted staff engage a referral program from another competing Reg CF portal?
 - How do the referral programs compare for potential financial benefit to Nvsted?
 - Which referral programs would be best fits for the St. Louis market?
 - How much revenue could Nvsted earn from referrals?
 - What would be the liabilities of Nvsted engaging in a referral program?

F. Recommendations

- What specific steps with a timeline should Nvsted follow to realize the above proforma budgets and platform activity?

Proposal Content

Proposals must include, at a minimum, the following information:

1. Experience of Firm and Assigned Personnel. Indicate prior experience of the individual or firm with similar projects. Include the type and number of clients served, as well as the size, scope, and nature of the projects involved. Provide CVs or a description of the qualifications for key personnel proposed for the engagement. Designate the individual who would have primary responsibility for the services.
2. Approach and Timeline. Provide a detailed description of the firm’s approach to fulfill the Scope of Services identified herein. The description of the firm’s approach should include a detailed timeline.
3. Approach to Diversity, Equity, and Inclusion. Provide a description of the firm’s approach to diversity, equity, and inclusion in providing the services.
4. Proposed Fees/Expenses. Proposals shall clearly state any and all fees and expenses to be charged for the services. It is anticipated that a maximum, not-to-exceed fee would be established for the services. As applicable, identify the firm’s approach to fees for the engagement:
 - a. If based on an hourly rate, provide the hourly rates (with any applicable nonprofit discounted rate) to be charged for each individual who would be assigned to this engagement and a general description of how billable hours will be allocated among key personnel.
 - b. Provide an explanation if fees will be calculated on any other basis. Itemize the type of expenses (other than fees) for which your firm would seek reimbursement.
 - c. **A five percent (5%) proposal discount shall be applied to MBE firms during the**

evaluation process. The proposal discount shall lower the eligible MBE firm's price proposal but shall not reduce the contract award amount. In order to qualify for the proposal discount, the eligible MBE firm shall include with its proposal a copy of a current MBE certification approval letter issued by a federal, state, or local governmental entity.

Selection Criteria

Proposals submitted will be reviewed by Partnership staff for completeness and qualifications. Selection of a firm will be made on the basis of the following criteria:

1. Qualifications, expertise, and experience of the firm and its personnel in providing similar services;
2. Approach and timeline to provide the Services;
3. Approach to diversity, equity, and inclusion;
4. Cost, after application of any applicable MBE discount, as described above; and
5. Responsiveness to the RFP categories.

St. Louis Economic Development Partnership actively encourages submission of proposals from disadvantaged business enterprises and companies owned by minorities, women, immigrants, and veterans. The Partnership is an Equal Opportunity Employer and does not discriminate on the basis of race, color, religion, creed, sex, sexual orientation, gender identity, age, ancestry, national origin, disability, or veteran status in consideration of this award.

Terms and Conditions

1. The Partnership reserves the right to reject any and all proposals submitted, to select one or more responding parties, to void this RFP and the review process and/or terminate negotiations at any time, to select separate responding parties for various components of the scope of services, and to select a final party/parties from among the proposals received in response to this RFP. Additionally, any and all RFP project elements, requirements, and schedules are subject to change and modification. The Partnership also reserves the unqualified right to modify, suspend, or terminate at its sole discretion any and all aspects of this RFP process, to obtain further information from any and all responding parties, and to waive any defects as to form or content of the RFP or any responses by any party.
2. This RFP does not commit the Partnership to award a contract, to defray any costs incurred in the preparation of a response to this request, or to procure or contract for services. All submitted responses to this RFP become the property of the Partnership as

public records. All proposals may be subject to public review upon request, unless exempted as discussed elsewhere in this RFP.

3. By accepting this RFP and/or submitting a proposal in response thereto, each responding party agrees for itself, its successors and assigns, to hold St. Louis Economic Development Partnership and its affiliated entities, Nvsted, St. Louis County, the City of St. Louis, and all of their various agents, commissioners, directors, consultants, attorneys, officers, and employees harmless from and against any and all claims and demands of whatever nature or type, which any such responding company, its representatives, agents, contractors, successors or assigns may have against any of them as a result of issuing this RFP, revising this RFP, conducting the selection process and subsequent negotiations, making a final recommendation, selecting a responding party/parties, or negotiating and executing an agreement incorporating the commitments of the selected responding party.
4. By submitting responses, each responding party acknowledges having read this RFP in its entirety and agrees to all terms and conditions set out in this RFP.
5. Responses shall be open and valid for a period of ninety (90) days from the due date of this RFP.

Submission of Proposals

To be considered, proposals must be received no later than **3 PM CST on Friday, October 28, 2022. Proposals received after the deadline identified above may not be considered.**

Schedule

RFP Newspaper Advertisement	October 6, 2022
Questions Submitted by	October 18, 2022
Questions Answered by	October 21, 2022
Submission of Proposals by	October 28, 2022

Questions about this RFP should be sent by email to hbean@stlpartnership.com. Any answers to questions will be provided to all interested parties and released as an addendum to this RFP on the Partnership's website, <https://stlpartnership.com/rfp-rfq/>, after the date indicated above.

Electronic proposals should be sent by email to hbean@stlpartnership.com.

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