



GOVERNMENT OF THE DISTRICT OF COLUMBIA
Executive Office of the Mayor
Office of the Deputy Mayor for Planning and Economic Development



FY23 DC Venture Capital Grant Program
REQUEST FOR APPLICATIONS (RFA)

Release Date of RFA: August 4, 2023
RFA ID #: DMPED –FY23 – VCGP
Submission Deadline: September 8, 2023 – 5:00pm EDT

All applications must be submitted electronically. Hand delivered or mailed applications will not be accepted. Incomplete applications or those submitted after the deadline will not be accepted.

Submission Details: Online submissions only. Please submit your complete application (including attachments) through the Online portal on the website for the Office of the Deputy Mayor for Planning and Economic Development: <https://dmped.dc.gov/>

Point of Contact: DMPED Grants Team Phone: (202) 727-6365; E-mail: dmped.grants@dc.gov

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I. Overview

The Office of the Deputy Mayor for Planning and Economic Development (“**DMPED**”) is soliciting grant applications from qualified private financial organizations to serve as the program administrator (“**Program Administrator**”) for the DC Venture Capital Grant Program (“**VC Program**”). The purpose of the VC Program is to increase access to capital for early-stage DC-based businesses. The Program Administrator will assist DMPED with the implementation of the VC Program and select and manage a network of venture fund managers (“**Fund Managers**”) to make investments in Eligible Businesses (defined herein) using funds provided by the State Small Business Credit Initiative (“**SSBCI**”).

II. Background

SSBCI is a federal initiative of the U.S. Department of Treasury (“**Treasury**”). SSBCI was first authorized in the Small Business Jobs Act of 2010. During this 1.0 version of the program, Treasury allocated \$13 million to the Government of the District of Columbia (“**District**”) for small business access-to-capital programs. The funds were designated to the Department of Insurance, Securities and Banking (“**DISB**”) and DISB created the DC Business Capital Program. SSBCI was reauthorized in the 2021 American Rescue Plan Act, and Treasury subsequently allocated up to \$62,027,062.00 to the District for deployment by 2030.

DISB and DMPED are collaborating on the deployment of funds. Subject to the approval of the District’s application to Treasury and the District’s budget appropriation, it is anticipated that DMPED will receive a total of \$26,046,000 in SSBCI funding in three tranches. The first tranche will be up to \$8,595,180. The second and third tranche will not be deployed to the District until 80% of the previous tranche is deployed via investments in small businesses. Treasury expects each tranche to be expended within three years.

One of the eligible program types under SSBCI to promote capital access is a venture capital program through which jurisdictions may set up public-private partnerships for direct equity investing or to invest in venture capital funds. These investments are focused on providing capital to underserved startups and democratizing venture capital across geography and to diverse founders.

The State Small Business Credit Initiative Venture Capital Program Grant-Making Establishment Congressional Review Emergency Amendment Act of 2022 (Act no. A24-0628) (the “**Act**”) authorizes the establishment of the VC Program to address the gap in access to venture capital for DC-based, early-stage businesses. Traditional financial institutions, such as banks, are often too risk-averse to offer early-stage companies a loan due to insufficient cashflow. If financing is offered, it is too costly (in terms of interest rate and fees). Venture capital is designed to be invested in projects with a substantial element of risk, such as in new and expanding businesses, but have long-term growth potential. The vast majority of venture capital flows to just three states, California, Massachusetts, and New York, which made up 73.1 percent of venture funding in the U.S. in 2020 (over \$118 billion according to Crunchbase). Though venture funding is growing in the region (increasing from \$2 billion raised in 2020 to \$5 billion in 2021), the region’s share still pales compared to the \$147 billion raised in the 3 leading states in 2021. This disparity can result in companies that are founded in DC and make the decision to move to other locations in search of investment. Diverse founders especially

struggle to access this growth capital. Between 2015 and 2020, only 3.5% of venture capital funding raised by DC companies went to companies with Black founders (though Black individuals make up 33% of the total workforce in DC¹). In 2021, only 14% of VC funding to the DC region went to companies with at least one female founder (though women make up 52% of the total workforce in DC).

Federal SSBCI funds offer an opportunity to increase the amount of venture capital funds available to underserved DC businesses. SSBCI funds' participation in a deal's capital stack can also help to de-risk an early-stage investment, encouraging additional private investment to participate in the deal.

The goal of the VC program is to provide equity seed capital to DC founders, with a focus on underserved founders of technology and "tech-enabled" companies (companies who do not create a proprietary technology but utilize it to provide a good or service). These entrepreneurs need a source of early-stage growth capital to scale operations and make investments in their staff, technology, marketing, and research and development to serve more customers and generate higher revenue, and to eventually raise additional rounds of venture funding or qualify for traditional financing. Founders who receive investment through the VC Program will have the incentive to remain in DC to grow their business, create jobs, and drive innovation locally.

III. Scope of Professional Services Required

A. Introduction

DMPED seeks to deploy the federal SSBCI funds through multiple investment firms. DMPED will select a private third-party organization to serve as a Program Administrator for a fund-of-funds approach. The role of the Program Administrator is to implement the VC Program in partnership with DMPED and select and monitor the Fund Managers that are deploying the funds directly to businesses. DMPED will not take an ownership interest in a fund or directly in a business. Proceeds from the VC Program portion of an investment will be recycled into the program for future investments.

Note: This application is only for the Program Administrator, not for Fund Managers looking for investment into their fund by the VC Program or for businesses seeking direct investments. Neither DMPED nor the Program Administrator will be making any direct investments into businesses.

B. Definition of Eligible Businesses

The Program Administrator will be responsible for assisting DMPED on the implementation of the investment program targeting companies who meet the following criteria ("**Eligible Businesses**"):

1. **Private company:** Non-public company registered in DC and subject to taxation in DC (e.g. a corporation, partnership, joint venture, cooperative, sole proprietorship)
2. **Small business:** Have fewer than 500 existing employees, including subsidiaries and affiliates
3. **DC-based business:** Have at closing, or sign an agreement pledging that it will have within six (6) months after funding:
 - a. Headquarters within DC (principal business operations conducted from a physical

¹ Pathways to Inclusion Report, DC Office of the Deputy Mayor for Planning & Economic Development, 2022

- location in DC); and
- b. At least 50% of employees must work in and provide services in DC OR at least 25% of employees must be residents of DC.
- c. In rare circumstances, companies who do not meet these requirements but are willing to open an additional office location in DC may be eligible for funding if the company is likely to provide substantial economic impact to DC in terms of job growth, capital investment and contributions to DC's economy. These deals must be approved by DMPED prior to investment.
- 4. **Technology-based business:** Business that creates proprietary technology or that leverages technology to offer a good or service.
- 5. **Early Stage:** All companies must have started operations within five years from the date of the investment.

Businesses who meet the following criteria will receive additional preference in consideration for investment:

1. Businesses owned by economically disadvantaged individuals, as defined by D.C. Official Code §2-218.02(7)
2. Businesses owned by individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities; or
3. Businesses that otherwise meet the definition of, or are eligible for certification as, an Equity Impact Enterprise, as that term is defined by section 2042(b) of the District of Columbia Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective December 3, 2020 (D.C. law 23-149; D.C. Official Code § 2-218.02(8A)).

DMPED may provide additional criteria for investment. The Program Administrator may also suggest additional criteria to DMPED for appropriate targeting.

C. Responsibilities of the Program Administrator

The responsibilities of the Program Administrator shall include:

1. Advise DMPED on implementation of the VC Program, including investment criteria to achieve the goals and objectives as established by Treasury and DMPED, the scope of work, and program evaluation metrics;
2. Soliciting and selecting Fund Managers with a mission of and experience in investing in Eligible Businesses (see more details in paragraph C(a) below);
3. Negotiating investment agreements with the Fund Managers and setting terms using parameters established by DMPED and compliant with SSBCI program requirements;
4. Distributing the program funds to one or more Fund Managers selected by the Program Administrator, and subject to approval by DMPED, to make direct investments in Eligible Businesses;
5. Monitoring the Fund Managers for portfolio performance and alignment with goals established by DMPED for the VC Program (see more details in paragraph C(b) below, and compliance with all federal requirements of the SSBCI program);
6. Maintain compliance with all federal requirements of the SSBCI program and District requirements of the VC Program; and
7. Reporting on the activities of the VC Program by providing quarterly reports to DMPED on progress towards meeting the VC Program evaluation metrics.

C(a). Selection of Fund Managers

The Program Administrator will be responsible for selecting, with the final approval of DMPED, Fund Managers to deploy the program funds via equity and other seed investments in Eligible Businesses. The Program Administrator will recruit and select Fund Managers who meet the following criteria to participate in the VC Program:

1. Be a private financial organization including a partnership, corporation, trust, limited liability company, or a consortium of partnerships, corporations, trusts, or limited liability companies, whether organized on a profit or not-for-profit basis, that has as its primary activity the investment of capital into businesses;
2. Have a management team with significant experience investing in Eligible Businesses;
3. Able to demonstrate a track record of positive return on investment;
4. Qualified management and staff based on training, skills, and experience;
5. Offers one or more financing vehicles to support Eligible Businesses, including equity investments, convertible notes, and revenue-based financing;
6. Ability and plans to raise sufficient funds to provide matching contributions for the VC Program, including to meet the 10:1 private leverage ratio;
7. Ability to maintain a sufficient fund balance to administer the VC Program;
8. Demonstrated ability to build an investment pipeline of Eligible Businesses;
9. Experience underwriting deals and processes for conducting due diligence on potential investees, monitoring performance, and providing services to portfolio companies to minimize risks, drive revenue, and raise follow-on investment; and
10. Sound strategies to achieve the goals and objectives of the VC Program.

DMPED may provide additional criteria for selecting Fund Managers. The Program Administrator may also suggest additional criteria for selection to DMPED.

C(b). Management of Fund Managers

The Program Administrator will also monitor the activities of the Fund Managers to ensure compliance with all District and Federal requirements. Activities of the Fund Managers include:

- Sourcing, underwriting, and monitoring all investments placed using VC Program funds;
- Securing private capital investment into the investment program at a rate of at least 1 to 1 of any investment made using District grant funds;
- Implementing strategies to attain private capital at a rate of 10 to 1 of any investment made using VC Program funds;
- Complying with quarterly and annual reporting requirements as determined by DMPED and Treasury;
- Complying with federal requirements for the SSBCI program, including the understanding that the private capital is *pari passu* with, or junior to, the SSBCI investment in cash flow rights; and
- Notifying the Program Administrator of any non-performing investments that are at risk of default and provide a plan to remedy.

D. Reporting Requirements

The Program Administrator shall submit to DMPED, on a quarterly basis, a report on the activities of the VC Program. The report shall include, at a minimum:

- The aggregate amount of dollars invested by the Program Administrator and any Fund Managers in businesses during the reporting period, categorized by public and private sources, and the amount of dollars used for direct and indirect administrative expenses;
- The cumulative amount of dollars invested by the Program Administrator and any Fund Managers in businesses, categorized by public and private sources, and the amount of dollars used for direct and indirect administrative expenses
- The number of businesses receiving an investment, including the name, business address, and Ward for each;
- The amount of each investment categorized by public and private sources;
- The amount of program income generated during the period and cumulatively;
- Additional information as required by Treasury reporting guidelines for the SSBCI program; and
- Any additional information as determined by DMPED.

The Program Administrator shall submit to DMPED, on an annual basis, a report with information on businesses receiving funds through the VC Program. The report shall include for each such business at a minimum:

- transaction level data for each investment, including characteristics of the businesses receiving investments as required by Treasury and DMPED
- the number of full-time and part-time equivalent employees;
- the number of full-time and part-time equivalent employees who are District residents, categorized by Ward;
- the number of jobs created and retained as a result of the investment;
- Additional information as required by Treasury reporting guidelines for the SSBCI program; and
- Any additional information as determined by DMPED.

IV. Available Funding

Subject to the approval of DMPED's application to Treasury and the District's budget appropriation, it is anticipated that DMPED will receive a total of \$26,046,000 in SSBCI funding. It is planned that DMPED disburse these funds to the Program Administrator in three tranches. The first tranche will be \$8,595,180.00. Pending receipt of such funds from Treasury, DMPED will award one grant of up to \$8,595,180.00 to the Program Administrator to support the implementation of the VC Program. The Program Administrator will be eligible to receive additional funds, for a total eligible amount of \$26,046,000.00, pending DMPED's receipt of the funds from Treasury and satisfactory performance by the Program Administrator.

Up to 5% of the grant funds may be used for administrative costs by the Program Administrator for the first tranche. The Program Administrator may use up to 3% of grant funds for administrative costs for the second and third tranches, if awarded.

The remainder of funds shall be deployed to selected Fund Managers to be invested into Eligible Businesses (Fund Managers may take a fee of up to 1.71% of funds).

V. General Requirements

- Each application shall be prepared simply and economically, avoiding the use of elaborate promotional materials beyond what is sufficient to provide a complete, accurate, and reliable presentation.
- All proposals must be delivered via GrantVantage on or before Friday, September 8, 2023 at 5:00 p.m (EDT). Proposals received after the above date and time will not be considered.
- Requests for clarification of this RFA must be written and submitted to Sandra Villarreal, Grants Manager, via email at dmped.grants@dc.gov, **no later than 5:00 p.m. (EDT) on Friday, August 11, 2023**. A list of questions and answers will be posted on the DMPED website on **Wednesday, August 16, 2023**. No communications of any kind will be binding against DMPED and/or the District, except for the formal written responses to any request for clarification.
- No application will be accepted from, nor any agreement awarded to, any applicant that is in arrears upon any debt or in default of any obligation owed to the District. Additionally, no agreement will be awarded to any applicant that has failed to satisfactorily perform pursuant to any prior agreement with the District.
- All applicants must disclose the name, title, and department of any employee or officer who was an employee or officer of the District within the 12 months immediately prior to the application.
- All applicants must provide a list of at least three references from community partners, government agencies, collaborators, and/or an individual with knowledge of and experience with the specific services being offered.

VI. Applicant Qualifications

Eligible applicants include qualified private financial organizations including a partnership, corporation, trust, limited liability company, Community Development Financial Institution, or a consortium of partnerships, corporations, trusts, or limited liability companies, whether organized on a profit or not-for-profit basis, with demonstrable financial, management, and investing capacity that satisfies the criteria below:

1. Sound strategies for how to implement the VC Program and investment criteria to achieve DMPED's goals and objectives and direct experience in advising on strategies for similar programs with favorable results;
2. Strategies to support the Fund Managers in their efforts to source Eligible Businesses, underwrite deals, and fundraise private capital;
3. A management team with significant experience investing in Eligible Businesses;
4. Experience selecting venture capital funds for investment, including evaluating their investment thesis and managerial experience and expertise;
5. Experience managing a network of fund managers, including monitoring portfolio performance

and reporting requirements;

6. Sufficient internal capacity, including leadership experience, staffing, infrastructure, systems, financial management, and standard operating policies and procedures to market, administer, and monitor the VC Program and meet reporting requirements; and
7. Priority will be given to organizations with:
 - a. Previous experience operating government (local, state, or federal) investment programs or public credit programs;
 - b. Familiarity with DC entrepreneurial ecosystem; and
 - c. Expertise on issues of diversity, equity and inclusion within the DC technology and innovation ecosystem.

VII. Information Session

DMPED will host at least one live web information sessions. Date and time of the session(s) will be posted on the DMPED website and accessible via this link: <https://dmped.dc.gov>. Prospective applicants with questions regarding this Request for Applications (RFA) are encouraged to attend one of these sessions.

VIII. Submission Guidelines

All applications must be submitted via the online application system. All attachments must be submitted in Adobe Acrobat PDF format. Any other formats will deem the submission incomplete.

All electronic applications must be submitted no later than Friday, September 8, 2023 at 5:00 p.m. (EDT). All applications will be recorded upon receipt. Any applications received after the deadline will not be accepted. Unless requested by DMPED any additions or deletions to an application will not be accepted after the specified deadline. DMPED is not responsible for unreadable, incomplete, and/or out-of-order submissions.

DMPED is not responsible for malfunctions of the online platform. DMPED advises prospective applicants not to upload any documents using Dropbox or similar applications due to access issues. In addition, please utilize read-only, non-modifiable format .PDF files only for any attachments to the application. Applicants must submit individual .PDF files only when attaching files to their application. DMPED will not accept any attachments that contain files within a file, such as PDF Portfolio files, or an interactive or fillable .PDF file. Any attachments uploaded that are not .PDF files (unless otherwise requested) or are password protected files will not be read.

Applications that encounter technical system errors must be reported to the GrantVantage Support desk using this email: Support@grantvantage.com.

Examples of events that would NOT be considered ‘technical system errors’:

- Failure to follow funding opportunity instructions
- Failure to follow application instructions
- Local internet problem at the time of submission on deadline day

- Unable to see final application “Submit” button
- Forgot username or password credentials
- Security locked out of system resulting from forgetting password – too many wrong attempts
- Failure to notify the GrantVantage Support Desk (Support@grantvantage.com) prior to 1 hour of Submission Deadline
- Closing application during the submission process while the “Processing” indicator is still active

IX. Application Review

A. Initial Screening

Prior to the formal review process, each application will receive an initial administrative screening to ensure that all required forms, signatures, and documents are present. An application will not be evaluated by the review panel if:

- 1) The application is received after the closing date;
- 2) The application package is not complete (see requirements in Section XIV);
- 3) The application narrative fails to address the program priorities; or
- 4) The application does not fall within the scope this RFA.

B. Independent Review Panel

This is a competitive grant. To ensure fair assessment of grant applications, DMPED will convene a diverse review panel to evaluate eligible applications and submit a recommendation for funding. The review panel will consist of neutral, qualified individuals selected for their knowledge of the District’s community, their experiences in grant-making and program development, and their familiarity with funding priority areas set forth in this RFA. The panel members will review screened applications and submit scoring, ranking and comments to DMPED.

C. Final Review

Based on the independent review panel recommendations, the resources available, and the goals of the program, DMPED will make the final funding decision. DMPED leadership will submit recommendations to the Deputy Mayor for Planning and Economic Development for final approval after taking into consideration the independent review panel’s recommendations. **The final funding decision cannot be contested or appealed.**

X. Scoring Criteria

The application must provide sufficient information for DMPED to make a determination of merit of the applications.

Applications will be evaluated based on the criteria outlined below. Failure to demonstrate how

the proposed services meet these criteria may reduce the application's score. Applications should include the elements for each section in their narrative description to be eligible for the maximum consideration. Applications that fail to include all the necessary elements may not be reviewed or considered and may be disqualified.

Program Implementation – 30%

1. Provide a narrative summary of how you propose to implement the VC Program and list your investment criteria to achieve DMPED's goals and objectives. Include any direct experience in advising on strategies for similar programs with favorable results. Program implementation should include the following elements:
 - a. identification of specific capital access challenges in DC market for Eligible Businesses and description of how program implementation will address those challenges;
 - b. additional recommended qualifications for Eligible Businesses and/or Fund Managers (if any);
 - c. process for evaluating Fund Managers, their underwriting process, and their offered financial products (e.g., equity, convertible notes, revenue-based financing, subordinated debt, etc.);
 - d. overview of standard investment agreement terms or process for negotiating investment terms with Fund Managers;
 - e. sources for investment opportunities and how you would support Fund Managers in building a pipeline of Eligible Business;
 - f. plan for deploying the first tranche of program funds within three years following selection;
 - g. describe strategies for supporting Fund Managers in raising private capital and processes for determining and documenting the "cause and result" of private capital leverage related to investment; and
 - h. processes for monitoring compliance and performance of outstanding investments, including addressing investment write-offs.

Investing Experience – 25%

1. Describes any previous experiences investing in Eligible Businesses.
2. Describe any previous experience selecting venture capital funds for investment, including process for evaluating the fund's investment thesis and managerial experience and expertise.
3. Describe any previous experience managing a network of fund managers, including monitoring portfolio performance and reporting requirements.
4. Include resumes for organizational leadership and key staff expected to support the Fund.
5. Describe any previous experience operating public credit or government investment programs.

Experience with Underserved Founders – 10%

1. Describe any programs where applicant has invested in or worked with small businesses owned by economically disadvantaged individuals and others subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities, or businesses that otherwise meet the definition of, or are similar to, an Equity Impact Enterprise.
2. Provide a narrative summary of the challenges these business owners face when trying to access capital.

Internal Capacity – 20%

1. Provide evidence of sufficient internal capacity, including leadership experience, staffing,

infrastructure, systems, financial management, and standard operating policies and procedures to manage the program, including but not limited to:

- The technical competence of the organizational leadership and staff to be assigned to the project with respect to the fund management;
 - The capacity to draft agreements with the Fund Managers and monitor performance; and
 - Adequate data management systems with the ability to protect sensitive information, collect data from the Fund Managers, and to provide regular and comprehensive reporting to DMPED.
2. Describe the skills and experience that your Board or other governing body has related to small business investment and to demonstrate that it possesses the capacity to oversee the VC Program in coordination with DMPED.
 3. A description of the internal accounting and administrative controls systems of your organization and the extent to which such systems can provide reasonable assurance that the SSBCI funds will be safeguarded against waste, loss, unauthorized use, and misappropriation.
 4. Attach audited annual financial statements for the past three years to document the applicant's current financial standing and track record of financial health.

DC Expertise – 15%

1. Describe experience managing government (local, state, or federal) investment programs, particularly any DC-based programs.
2. Provide evidence of familiarity with DC entrepreneurial ecosystem (demonstrated by resumes and experience, networks/connections, participation on community and business boards, being an active investor in the DC market as demonstrated by portfolio).
3. Provide evidence of expertise on issues of diversity, equity, and inclusion within the DC technology and innovation ecosystem (through relevant work experience, serve as advisor/board member on related council/nonprofit, published works, speaking engagements).

XI. Anticipated Announcement and Award Notification

Anticipated time for processing applications is forty-five (45) days after the deadline for submission of applications and may be extended based on the number of applications.

DMPED will send a response letter to selected applicants, informing them of their status in the review process and requesting the following supplemental documentation in order to proceed with the grant award.

1. Proof of Insurance – See Article XV.
2. Automated Clearing House (ACH) Form – Approved awardees will receive disbursed tranche via an electronic transmission to the bank account designated for this grant. To establish this transfer, approved awardees must fully complete and submit an ACH Form that includes the signature of an authorized representative from their financial institution.
3. EEO Policy Statement – Applicants are required to sign an Equal Employment Opportunity (EEO) Statement with the District's Office of Human Rights.

4. Grant Agreement – Applicants are required to sign an agreement setting forth the terms and obligations that will serve as conditions for Applicant’s receipt of the applicable grant funds.
5. Ethics and Accountability Statement – The selected applicant is required to sign an affidavit which attests to an absence of any inappropriate contributions.
6. Debarment Affidavit
7. Arrest and Conviction Statement
8. IRS W-9 Form
9. If applicable, the selected applicant will be required to execute a First Source Employment Agreement with the District Department of Employment Services governing certain obligations of grantees regarding job creation and employment generated as a result of the grant under the Workforce Intermediary Establishment and Reform of the First Source Amendment Act of 2011 (D.C. Law 19-84, D.C. Official Code §§ 2-219.01 et seq.) and the rules and regulations promulgated thereunder, and Mayor’s Order 83-265.
10. If applicable, the selected applicant will be required to execute a Subcontracting Plan governing certain obligations of grantees under the Small and Certified Business Enterprise Development and Assistance Act of 2005, as amended (D.C. Law 16-33; D.C. Official Code §§2-218.01, et seq.).

To remain eligible for this grant, all supplemental documentation must be submitted to DMPED within 5 business days of the response letter. An applicant that cannot provide these materials **WITHIN 5 BUSINESS DAYS** will be deemed ineligible to receive grant funds.

XII. Terms and Conditions

Funding for this grant is contingent upon DMPED’s receipt of SSBCI funds from Treasury and the District’s budget allocation. This RFA does not commit DMPED to make a grant award.

DMPED reserves the right to accept or deny any or all applications if it is determined to be in the best interest of DMPED to do so. DMPED shall notify the applicant if it rejects their application. DMPED reserves the right to suspend or terminate an RFA pursuant to its own grantmaking rules or any applicable federal regulation or requirement.

DMPED reserves the right to waive any irregularities or informalities, if such action is deemed to be in the best interest of the District.

DMPED reserves the right to issue addenda and/or amendments subsequent to the issuance of this RFA, or to rescind this RFA. DMPED reserves the right to request additional information from any applicant.

DMPED shall not be liable for any costs incurred in the preparation of applications in response to this RFA. The applicant agrees that all costs incurred in developing the application for this

grant are the applicant's sole responsibility.

DMPED may conduct pre-award on-site visits to verify information submitted in the application and to determine if the applicant's facilities are appropriate for the services intended.

DMPED may enter into negotiations with an applicant and adopt a firm funding amount or other revision of the applicant's proposal that may result from negotiations.

DMPED shall provide the citations to the statute and implementing regulations that authorize the grant or sub-grant; all applicable federal and District regulations and payment provisions identifying how the grantee will be paid for performing under the grant agreement; reporting requirements, including programmatic, financial, and any special reports required by DMPED; and compliance conditions that must be met by the grantee.

If there are any conflicts between the terms and conditions of this RFA and any applicable federal or local laws or regulations, or any ambiguity related thereto, then the provisions of the applicable laws or regulations shall control, and it shall be the responsibility of the applicant to ensure compliance.

DMPED reserves the right to withhold funds and/or withdraw a grant award to applicants who change vendors during the period of performance prior to submission and approval by DMPED.

DMPED reserves the right to recover the amount of the grant award and may exercise this right if the successful applicant, as Program Administrator, does not select Fund Managers and deploy the VC Program funds within a reasonable period as determined by DMPED.

XIII. Point of Contact

Sandra Villarreal, Grants Manager
Phone: (202) 727-6365
Email: dmped.grants@dc.gov

XIV. Checklist for Applications

Verify that the application form is prepared on 8 ½ by 11-inch page format, using 11 – or -12-point Arial, Calibri, or Times New Roman type.

- The application is submitted electronically to DMPED through GrantVantage
- The application includes the requested information below:
 - Cover page with the Contact Information for the RFA Applicant
 - Name of Organization
 - Key Contact
 - Mailing Address
 - Telephone
 - Email
 - Narrative response for the FY23 DC Venture Capital Grant Program, including:

- Applicant Introduction
 - Program Implementation
 - Investing Experience
 - Experience with Underserved Founders
 - Internal Capacity
 - DC Expertise
- List of all prime contractors and subcontractors that their organization does business with related to the service in this RFA.
 - List of at least three references from community partners, government agencies, collaborators, and/or an individual with knowledge of and experience with the specific services being offered.

Each grant application must include each of the following required attachments, completed by the applicant, and that any grant application submitted without ALL these required attachments will not be considered for the award:

- The following attachments.
 - Attachment A – Organizational documents (for example, Articles of Incorporation and Bylaws, as applicable)
 - Attachment B – Organizational chart
 - Attachment C – Board resumes
 - Attachment D – Staff resumes
 - Attachment E – Tax-exempt status determination letter, as applicable
 - Attachment F – Certification by the DC Department of Licensing and Consumer Protection (DLCP) to do business in the District of Columbia
 - Attachment G – Certificate of Clean Hands from the DC Office of Tax and Revenue (current within the last six months)
 - Attachment H – Evidence of Good Standing from DLCP (current within the last 6 months)
 - Attachment I – Audited Financial statements and reports for the last three years
 - Attachment J – Copy of Basic Business License
 - Attachment K – Conflict of Interest Policy and Statements
 - Attachment L – Statement of Certification
- The following completed forms (A through E can be provided after the application as described in Section X)
 - Appendix A – Certificate of Insurance
 - Appendix B – ACH Enrollment Form
 - Appendix C – EEO Policy Commitment Package
 - Appendix D – IRS W-9 Form
 - Appendix E – Debarment Affidavit
 - Appendix F – Arrest and Conviction Statement
 - Appendix G – Ethics and Accountability Statement

XV. Grant Disbursement

DMPED expects to award one grant for a maximum amount of \$8,595,180.00.

The grantee's performance under the Grant Agreement shall extend from the execution of the grant agreement through September 30, 2025. The District's period of agreement and financial obligation for the grant will be from the execution of the grant agreement until September 30, 2024.

Grant funding will be disbursed to the grantee based on award amount provided expenditures are allowable expenses and grantee adheres to the disbursement process.

Vendors (grantees) must submit invoices electronically through the vendor portal: <https://vendorportal.dc.gov>. Vendors are required to register on the vendor portal prior to submitting an invoice.

XVI. Taxability of Grant Funds

Receipt of grant funds may be considered taxable income to the grantee. Grantees should consult their tax advisor regarding tax income and tax liability concerns.

XVII. Insurance

- A. **GENERAL REQUIREMENTS.** The Grantee at its sole expense shall procure and maintain, during the entire period of performance under this grant, the types of insurance specified below. The Grantee shall submit a Certificate of Insurance to DMPED Director of Contracts, Procurement and Grants giving evidence of the required coverage prior to commencing performance under this grant. In no event shall any work be performed until the required Certificates of Insurance signed by an authorized representative of the insurer(s) have been provided to, and accepted by, DMPED Director of Contracts, Procurement and Grants.

The Government of the District of Columbia shall be included in all policies, where applicable and allowable by law, required hereunder to be maintained by the Grantee and its subcontractors (except for workers' compensation and professional liability insurance) as an additional insureds for claims against The Government of the District of Columbia relating to this grant, with the understanding that any affirmative obligation imposed upon the insured Grantee or its subcontractors (including without limitation the liability to pay premiums) shall be the sole obligation of the Grantee or its subcontractors, and not the additional insured. The additional insured status under the Grantee's and its subcontractors' Commercial General Liability insurance policies shall be effected using the ISO Additional Insured Endorsement form CG 20 10 11 85 (or CG 20 10 07 04 and CG 20 37 07 04) or such other endorsement or combination of endorsements providing coverage at least as broad and approved by The Government of the District of Columbia in writing. All of the Grantee's and its subcontractors' liability policies (except for workers' compensation and professional liability insurance) shall be endorsed using ISO form CG 20 01 04 13 or its equivalent so as to indicate that such policies provide primary coverage (without any right of contribution by any other insurance, reinsurance or self-insurance, including any deductible or retention, maintained by an Additional Insured) for all claims

against the additional insured arising out of the performance of this Statement of Work by the Grantee or its subcontractors, or anyone for whom the Grantee or its subcontractors may be liable. These policies shall include a separation of insureds clause applicable to the additional insured.

If the Grantee and/or its subcontractors maintain broader coverage and/or higher limits than the minimums shown below, the District requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Grantee and subcontractors.

B. INSURANCE REQUIREMENTS

1. Commercial General Liability Insurance ("CGL") - The Grantee shall provide evidence satisfactory to DMPED with respect to the services performed that it carries a CGL policy, written on an occurrence (not claims-made) basis, on Insurance Services Office, Inc. ("ISO") form CG 00 01 04 13 (or another occurrence-based form with coverage at least as broad and approved by the DMPED in writing), covering liability for all ongoing and completed operations of the Grantee and under all subcontracts, covering claims for bodily injury, including without limitation sickness, disease or death and mental anguish of any persons, broad form property damage, including loss of use resulting therefrom, personal and advertising injury, and including coverage for liability arising out of an Insured Contract (including the tort liability of another assumed in a contract) and acts of terrorism (whether caused by a foreign or domestic source). Such coverage shall have limits of liability of not less than \$1,000,000 each occurrence, a \$2,000,000 general aggregate.

The Commercial General Liability shall be further endorsed to:

- a) To the fullest extent permitted by law, provide additional insured coverage using ISO form CG 2015 0413 (or its equivalent) to The Government of the District of Columbia
 - b) Coverage available to the additional insureds shall apply on a primary and non-contributing basis as respects any other insurance, deductibles, or self-insurance available to the additional insureds
 - c) A waiver of subrogation in favor of The Government of the District of Columbia
 - d) Any Annual Aggregate shall apply on a per location or per project basis (where applicable)
 - e) Defense costs shall be in addition to and not erode the limits of liability
2. Automobile Liability Insurance - The Grantee shall provide evidence satisfactory to DMPED of commercial (business) automobile liability insurance written on ISO form CA 00 01 10 13 (or another form with coverage at least as broad and approved by DMPED in writing) including coverage for all owned, hired, borrowed and non-owned vehicles and equipment used by the Grantee in connection with work under this agreement, with a minimum combined single limit of \$1,000,000 for bodily injury or death and property damage, including loss of use thereof. Such policy or policies of automobile liability insurance shall be written on an "occurrence" (as opposed to a "claims made") basis.

Auto Physical Damage Coverage - The Grantee shall provide auto physical damage insurance to cover "loss" to a covered "auto" or its equipment:

- a) Comprehensive - Fire, lightning or explosion; theft; windstorm, hail or earthquake; flood; mischief or vandalism; or the sinking, burning, collision or derailment of any conveyance transporting the covered "auto".
- b) Collision Coverage - Caused by: The covered "auto's" collision with another object or the covered "auto's" overturn.

The Commercial Auto Liability policy shall be further endorsed to:

- a) To the fullest extent permitted by law, provide additional insured coverage to The Government of the District of Columbia
 - b) Coverage available to the additional insureds shall apply on a primary and non-contributing basis as respects any other insurance, deductibles, or self-insurance available to the additional insureds
 - c) A waiver of subrogation in favor of The Government of the District of Columbia
 - d) Defense costs shall be in addition to and not erode the limits of liability
 - e) If applicable, include Form CA 99 48 03 06 Pollution Liability - Broadened Coverage for Covered Autos - Business Auto, Motor Carrier and Truckers (or its equivalent)
3. Workers' Compensation Insurance - The Grantee shall provide evidence satisfactory to DMPED of Workers' Compensation insurance in accordance with the statutory mandates of the District of Columbia or the jurisdiction in which the grant is performed.

Employer's Liability Insurance - The Grantee shall provide evidence satisfactory to DMPED of employer's liability insurance as follows: \$500,000 per accident for injury; \$500,000 per employee for disease; and \$500,000 for policy disease limit.

The Workers Compensation and Employers Liability shall be further endorsed to:

- a) Include a Waiver of Subrogation in favor of The Government of the District of Columbia.
 - b) Where applicable, include United States Longshore and Harbor Workers Compensation Act (USL&H)
 - c) Where applicable, include Jones Act Coverage for seamen or crew members on an "if any" basis.
4. Network Security/Privacy (Cyber) Liability Insurance covering acts, errors, omissions, breach of contract, and violation of any consumer protection laws arising out of Grantee's operations or services with a limit of \$5,000,000 per claim and in the aggregate. Such coverage shall include but not be limited to, third party and first party coverage for loss or disclosure of any data, including personally identifiable information and payment card information, network security failure, violation of any consumer protection laws, unauthorized access and/or use or other intrusions, infringement of any intellectual property rights (except patent), unintentional breach of contract, negligence or breach of duty to use reasonable care, breach of any duty of confidentiality, invasion of privacy, or violations of any other legal protections for personal information, defamation, libel, slander, commercial disparagement, negligent transmission of computer virus, or use of computer networks in connection with denial of service attacks. Such coverage shall include regulatory defense and fines/penalties in any jurisdiction anywhere in the world. Such coverage shall include contractual privacy coverage for data breach response and crisis management costs that would be incurred by Grantee on behalf of The Government of the District of Columbia in the event of a data breach including legal and forensic expenses, notification costs, credit monitoring costs, and costs to operate a call center.

Grantee shall maintain coverage in force during the term of this Agreement and for an extended reporting period of not less than two (2) years after.

5. Professional Liability Insurance (Errors & Omissions) - The Grantee shall provide Professional Liability Insurance (Errors and Omissions) to cover liability resulting from any error or omission in the performance of professional services under this Grant. The policy shall provide limits of \$1,000,000 per claim or per occurrence for each wrongful act and \$2,000,000 annual aggregate. The Grantee warrants that any applicable retroactive date precedes the date the Grantee first performed any professional services for the Government of the District of Columbia and that continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least ten years after the completion of the professional services. Limits may not be shared with other lines of coverage.
6. Commercial Umbrella or Excess Liability - The Grantee shall provide evidence satisfactory to DMPED of commercial umbrella or excess liability insurance with minimum limits of \$5,000,000 per occurrence and \$5,000,000 in the annual aggregate, following the form and in excess of all liability policies. All liability coverages must be scheduled under the umbrella and/or excess policy. The insurance required under this paragraph shall be written in a form that annually reinstates all required limits. Coverage shall be primary to any insurance, self-insurance or reinsurance maintained by The Government of the District of Columbia and the “other insurance” provision must be amended in accordance with this requirement and principles of vertical exhaustion.
7. Crime Insurance (3rd Party Indemnity) - The Grantee shall provide a Crime policy including 3rd party fidelity to cover the dishonest acts of Contractors, its employees and/or volunteers which result in a loss to the District. The Government of the District of Columbia shall be included as loss payee. The policy shall provide a limit of \$200,000 per occurrence.

C. SUBCONTRACTOR INSURANCE REQUIREMENTS

Any and all subcontractors engaged by Grantee for work under this agreement shall be required to have the same insured required of Grantee. Should the Grantee wish to propose different insurance requirements than outlined below, then, prior to commencement of work by the subcontractor, the Grantee shall submit in writing the name and brief description of work to be performed by the subcontractor on the Subcontractors Insurance Requirement Template provided to the Office of Risk Management (ORM). ORM will determine the insurance requirements applicable to the subcontractor and promptly deliver such requirements in writing to the Grantee. In either instance, the Grantee must provide proof of the subcontractor's required insurance prior to commencement of work by the subcontractor.

D. PRIMARY AND NONCONTRIBUTORY INSURANCE

The insurance required herein shall be primary to and will not seek contribution from any other insurance, reinsurance or self-insurance including any deductible or retention, maintained by the Government of the District of Columbia.

- E. DURATION. The Grantee shall carry all required insurance until all grant work is accepted by The Government of the District of Columbia and shall carry listed coverages

for ten years for construction projects following final acceptance of the work performed under this grant and two years for non-construction related grants.

- F. **LIABILITY.** These are the required minimum insurance requirements established by The Government of the District of Columbia. However, it is understood that The Government of the District of Columbia does not in any way represent that the insurance or the limits of insurance specified herein are sufficient or adequate to protect your interests or liabilities and will not in any way limit the Grantee's liability under this grant.
- G. **CONTRACTOR'S PROPERTY.** Grantee and subcontractors are solely responsible for any loss or damage to their personal property, including but not limited to tools and equipment, scaffolding and temporary structures, rented machinery, or owned and leased equipment. A waiver of subrogation shall apply in favor of The Government of the District of Columbia.
- H. **MEASURE OF PAYMENT.** The Government of the District of Columbia shall not make any separate measure or payment for the cost of insurance and bonds. The Grantee shall include all of the costs of insurance and bonds in the grant price.
- I. **NOTIFICATION.** The Grantee shall ensure that all policies provide that DMPED shall be given thirty (30) days prior written notice in the event of cancellation, non-renewal, or material changes to the extent such cancellation or material changes results in Grantee no long complying with the above requirements. The Grantee shall provide DMPED with ten (10) days prior written notice in the event of non-payment of premium. The Grantee will also provide DMPED with an updated Certificate of Insurance should its insurance coverages renew during the grant. The Government of the District of Columbia may reasonably change the above insurance coverage requirements during the Term by giving Grantee at least 30 days' notice of the change. Grantee must comply, at your expense, and deliver to DMPED evidence of compliance before the change becomes effective.
- J. **CERTIFICATES OF INSURANCE.** The Grantee must send to DMPED, at least 10 days after execution of this Agreement, certificates of insurance evidencing the required insurance coverage and endorsements required herein. Grantee must also provide us with evidence of renewal before the expiration date of each insurance policy. Grantee is responsible for providing us with 30 days advanced written notice if the certificate of insurance by the insurer has been canceled, reduced in coverage, or otherwise altered. . Certificates of insurance must reference the corresponding grant number. Evidence of insurance shall be submitted to:

The Government of the District of Columbia

And mailed to the attention of:

**Office of the Deputy Mayor for Planning and Economic Development
Contracts, Procurement and Grants (Certificates of Insurance)**

1015 Half Street, SE, 9th Floor, Washington, DC 20003

(202) 727-6365

Dmped.grants@dc.gov

DMPED may request and the Grantee shall promptly deliver updated certificates of insurance, endorsements indicating the required coverages, and/or certified copies of the insurance policies. If the insurance initially obtained by the Grantee expires prior to completion of the grant, renewal certificates of insurance and additional insured and other endorsements shall be furnished to DMPED prior to the date of expiration of all such initial insurance. For all coverage required to be maintained after completion, an additional certificate of insurance evidencing such coverage shall be submitted to DMPED on an annual basis as the coverage is renewed (or replaced).

- K. **DISCLOSURE OF INFORMATION.** The Grantee agrees that The Government of the District of Columbia may disclose the name and contact information of its insurers to any third party which presents a claim against The Government of the District of Columbia for any damages or claims resulting from or arising out of work performed by the Grantee, its agents, employees, servants or subcontractors in the performance of this grant.
- L. **CARRIER RATINGS.** All Grantee's and its subcontractors' insurance required in connection with this grant shall be written by insurance companies with an A.M. Best Insurance Guide rating of at least A- VII or better (or the equivalent by any other rating agency) and licensed in the District of Columbia.
- M. **WARRANTIES.** When applicable, the Grantee should be named as an additional insured on the applicable manufacturer's/distributor's Commercial General Liability policy using Insurance Services Office, Inc. ("ISO") form CG 20 15 04 13 (or another occurrence-based form with coverage at least as broad). DMPED should collect, review for accuracy, and maintain all warranties for goods and services.