

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Office

DATE: December 21, 2022

RE: Small Business E-commerce Support Program

Summary

The Members are requested to approve:

1. Creation of the Small Business E-commerce Support Program – a pilot product under the Main Street Recovery Finance Program that will offer up to one million dollars (\$1,000,000) in e-commerce/digital marketing consulting services to be provided to eligible New Jersey restaurants, retail stores and personal care businesses (e.g., barbershops, hair salons, nail salons, etc.) that are situated in a commercial location and meet the U.S. Small Business Administration (SBA) definition of a small business, to assist with the development of websites, e-commerce platforms and digital marketing plans.
2. Entering into contracts with the seven (7) firms indicated in this memo to provide E-commerce/Digital Marketing Services to New Jersey restaurants, retail stores and personal care businesses for a two (2) year term, with two (2) one (1) year extension options to be exercised at the sole discretion of the Authority at the same pricing, terms and conditions. The total combined contract award is based on a budget of one million dollars (\$1,000,000).
3. Utilization of up to one million dollars (\$1,000,000) from the Main Street Recovery Finance Program to fund the Small Business E-commerce Support Program, with delegation to the Authority's Chief Executive Officer to increase funding through contract amendments up to a total of four million dollars (\$4,000,000) in the event the demand exceeds the one million dollars (\$1,000,000).
4. Delegation to the Authority's Chief Executive Officer to approve individual requests for a Small Business E-commerce Support Program up to a maximum of eleven thousand four hundred dollars (\$11,400) in accordance with the terms set forth in the attached product specifications.

Background

On January 7, 2021, Governor Phil Murphy signed the New Jersey Economic Recovery Act of 2020 (ERA) into law. The ERA presents a strong recovery and reform package that will address the ongoing economic impacts of the COVID-19 pandemic and position New Jersey to build a stronger and fairer economy that invests in innovation, in our communities, and in our small businesses the right way, with the protections and oversight taxpayers deserve. Tax incentives and other investment tools are critical to economic development, and when used correctly they can drive transformative change that uplifts communities and creates new opportunities for everyone. The ERA includes fifteen plus (15+) economic development programs, including:

- Tax credits to incentivize job creation and capital investment;
- Investment tools to support and strengthen New Jersey's innovation economy;
- Tax credits to strengthen New Jersey's communities including revitalization of brownfields and preservation of historic properties;
- Financial resources for small businesses, including those impacted by the COVID-19 pandemic;
- Support for new supermarkets and healthy food retailers in food dessert communities;
- Additional tax credits for film and digital media.

On July 7, 2021, Governor Murphy signed P.L. 2021 c.160 further improving the programs established under the New Jersey Economic Recovery Act of 2020.

One of the fifteen plus (15+) programs established under the ERA is the Main Street Recovery Finance Program, a \$100 million small business support program under which individual financial assistance products will be created, all of which will share a common purpose of supporting the growth and success of small businesses in New Jersey. As of today, one hundred and fifty million dollars (\$150,000,000) has been appropriated for the Main Street Recovery Fund, which funds products in the Main Street Recovery Finance Program. On August 11, 2021, the Members approved the creation of special adopted rules creating the Main Street Recovery Finance Program. These rules created two initial products under the Main Street Recovery Finance Program – the Small Business Lease Assistance Grant and the Small Business Improvement Grant. On November 13, 2021, the Members approved the creation of a third pilot product under the Main Street Recovery Finance Program - the Main Street Micro Business Loan. At the time each of these products were approved, Members were advised that requests to create additional pilot products under the Main Street Recovery Finance Program would be forthcoming. On February 9, 2021, the Members approved the creation of a fourth product under the Main Street Recovery Finance Program – the Main Street Lenders Grant. This memo is submitted to request the Members approval to create a fifth pilot product the Small Business E-commerce Support Program.

As the economy continues to recover from the COVID-19 pandemic and use of web-based platforms increases, many small, customer-facing businesses are in need of a robust online presence to help them complete and thrive. It is especially difficult for these business owners that own or rent their commercial space to make investments in digitization due to limited technical capabilities, experience and financial resources. They are in need of immediate assistance to transform and adapt their online sales and marketing activities and allow them to operate profitably in today's economy.

The product being presented for the Members approval in this memorandum is Small Business E-commerce Support – a pilot product under the Main Street Recovery Finance Program that will offer up to one million dollars (\$1,000,000) in e-commerce/digital marketing consulting services to be provided to eligible New Jersey restaurants, retail stores and personal care businesses (e.g., barbershops, hair salons, nail salons, etc.) that are situated in a commercial location and meet the

U.S. Small Business Administration (SBA) definition of a small business. This product will provide the assistance these businesses need to survive and thrive in today’s economy. A summary including contractor engagement, product details, eligibility criteria, available support, maximum assistance amounts and the approval process is provided below.

Product Details

The Small Business E-commerce Support Program will connect eligible small businesses in the restaurant, retail and personal care (e.g., barbershops, hair salons, nail salons, etc.) industries to consultants that will offer E-commerce/Digital Marketing Services to assist with the development of websites, e-commerce platforms and digital marketing plans, thereby enabling businesses to increase their client base, better serve customers and operate profitably while adhering to current social distancing limitations/health guidelines and accommodating changing customer preferences.

The Authority will issue a press release to announce the product and will market it to businesses to generate leads. The Authority will distribute leads to Contractors (the selection of which is described in detail in a section below) beginning with the highest scored Contractor for the applicable region and continuing sequentially by score on a rotating basis. Awarded Contractors are also responsible for marketing and outreach to potential clients and must make a good faith effort to ensure that forty percent (40%) of clients served are located within Qualified Opportunity Zones, with focus on serving small, women, minority, veteran and disabled veteran owned businesses.

Interested businesses will be required to complete an initial intake form. The Contractor will make initial contact with a potential client and schedule a diagnostic interview to assess the client’s needs within one (1) week of initial contact. The Contractor will then develop and present a proposal to the client for approval and signature. Following client approval, the Contractor will forward the signed proposal to the Authority for project approval. Once the project is approved by the Authority, the Contractor will submit an invoice for fifty percent (50%) of the estimated project cost.

To be eligible for assistance, businesses must meet the product eligibility parameters. The business must be a restaurant, retail store or personal care business (e.g., barbershop, hair salon, nail salon, etc.) situated in a commercial location with a physical store front in the State and currently registered to do business in New Jersey. Further, the business must meet the U.S. Small Business Administration (SBA) definition of a small business. Business type will be verified by NAICS Code, location will be verified via Google maps search results, business registration will be confirmed by required submission of a current tax clearance certificate and small business status will be verified using the business’ NAICS Code and annual gross revenue, evidenced by submission of its most recent Federal income tax filing, as compared to the SBA Table of Small Business Size Standards.

The e-commerce/digital marketing consulting services offered will consist of the following, with maximum not to exceed hours for each service:

Service	Business Type	Key Features of End Product	Estimated Hours Min-Max Not to Exceed the Maximum Hours Listed
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A. Web Page Design, Development, and Implementation	All	<ul style="list-style-type: none"> ● URL registration ● Fully functional web landing page which includes key information about the business, its services/ product offering, contact information, etc. <p><i>*Use of pre-built website hosting platforms (e.g., Squarespace, WordPress) is encouraged.</i></p>	1-4 hours
B. Online Ordering Implementation	Restaurant	<ul style="list-style-type: none"> ● Integrates with business' website ● Online ordering capabilities, including menu for selections and a "sold out" indicator ● Delivery or take-out options ● Online payment capability <p><i>*Use of existing online ordering platform (e.g., Olo, Otter) is encouraged.</i></p>	1-4 hours
C. Online Appointment Booking Implementation	Personal Care	<ul style="list-style-type: none"> ● Integrate with business' website ● Online menu of service options ● Online appointment booking capability <p><i>*Use of existing scheduling management platform (e.g., MindBody, Vagaro) is encouraged.</i></p>	1-4 hours
D. E-commerce Platform Design, Development, and Implementation	All	<ul style="list-style-type: none"> ● Product listing, including photos, descriptions, prices and links to back-end inventory system ● Customer account set-up capability ● Online shopping cart feature ● Online check-out and payment capability <p><i>*Use of existing e-commerce platform (e.g., WooCommerce, Shopify, Wix, BigCommerce) is encouraged.</i></p>	1-40 hours
E. Website and E-commerce Platform Adaptation/ Migration	All	<ul style="list-style-type: none"> ● Modern, easily accessible and user-friendly web landing page and/or e-commerce platform 	1-10 hours
F. Online Marketing	All	Customizable by client	1-10 hours
G. Training and Post-delivery Remote Assistance	All	<ul style="list-style-type: none"> ● One (1) hour of training for business owner and staff ● Up to two (2) additional hours of remote assistance for two (2) weeks following completion of project ● Debugging, if applicable, for two (2) weeks following completion of project 	1-3 hours
H. Troubleshooting with advanced approval	All	<ul style="list-style-type: none"> ● Up to five (5) additional hours of troubleshooting assistance ● Proposer shall obtain prior approval for all troubleshooting from the Designated Contract Manager before any work can begin 	1-5 hours

Services provided and hours expended by the Contractor will be tailored to meet the needs of each individual client. Not all clients will receive all of the services listed.

The Contract will also cover the initial cost of any apps, hosting and/or domain registrations that may be purchased to develop or enhance client's website and/or e-commerce capabilities (i.e., Squarespace, Wordpress, Olo, Otter, Mindbody, Vagaro, WooCommerce, Shopfly, Wix, BigCommerce). The business owner will be responsible for all subsequent, ongoing costs/fees associated with these apps and services.

Services will be provided up to a maximum value per completed project for each type of business as follows:

- Restaurants maximum per completed project = \$11,400
- Retail stores maximum per completed project = \$10,800
- Personal care maximum per completed project = \$11,400

Contractors will complete the following tasks in the performance of the work:

1. Identify the client's digitization needs by performing an initial intake, introductory diagnostic and developing and presenting a proposal.
2. Obtain proposal approval from the client and the Authority prior to beginning work on any project.
3. Build and implement the needed solution(s), working remotely and completing the project within four (4) weeks of the Authority's approval of the proposal; the Contractor will:
 - a. Work with the client to gain an understanding of the business owner's preferences for website e-commerce platform and digital marketing design and layout;
 - b. Build a customer-facing digital interface and back-end solution based on the client's needs using client input and feedback on design, layout and content and updating the client on progress frequently throughout the process.
 - c. Implement the solution, delivering a live, fully functional web page, e-commerce platform, food ordering plug-in, appointment booking and/or social media marketing plan or other solution based on the client's needs.
4. Provide client training and ongoing assistance, the Contractor will:
 - a. Training the business owner and staff to use and maintain the new platform(s) effectively to increase sales and/or establish an online presence and track website traffic and customer engagement.
 - b. Offer on-demand remote assistance for questions and debugging.

Once the project is fully completed, the Contractor will submit its final invoice to the Authority, accompanied by a copy of the signed proposal and evidence of the completed work (e.g., photos, screenshots, weblinks, documents, etc.). The Contractor's invoice will include the initial cost of any apps, hosting and/or domain registrations that may be purchased to develop or enhance client's website and/or e-commerce capabilities. The business owner will be responsible for all subsequent, ongoing costs/fees associated with these apps and services. The Authority will issue final payment upon receipt and review of the final invoice and after confirming that the client is satisfied with the work, as evidenced by a customer satisfaction survey completed by the client.

Approval Process

In recognition of the anticipated volume of requests for assistance under this product and the limited discretion staff has in reviewing requests under the product parameters, the Members are requested to approve Delegation to the Authority's Chief Executive Officer to approve individual requests for assistance under the product, up to a maximum of eleven thousand four hundred dollars (\$11,400) in accordance with the terms set forth in the attached product specifications.

Contractor Procurement Process

The Procurement Department issued a Request for Proposals, #2022-RFP-130, for E-commerce/Digital Marketing Services on August 31, 2022. The RFP was duly advertised in two (2) newspapers for one (1) day and posted on both the Authority's website and the NJ State Business Portal. Additionally, five hundred twenty-five (525) firms were notified of the solicitation via e-mail.

The RFP sought to solicit proposals from consulting firms experienced in the development of websites, e-commerce platforms and digital marketing plans to provide E-commerce/Digital Marketing Services to New Jersey restaurants, retail stores and personal care businesses in any or all of the Northern, Central and Southern New Jersey regions and provided for award of contracts to up to three (3) responsible Proposers in each of the three (3) geographic regions for two (2) year terms, with two (2) one (1) year extension options to be exercised at the sole discretion of the Authority. The total combined budget for these services is \$1 million for the entire term of the contracts including all potential extension options.

Proposals were due on October 3, 2022, and 13 proposals were received by the due date. IPM staff reviewed all proposals for responsiveness. All proposals were deemed responsive and forwarded to an Evaluation Committee comprised of qualified Authority staff for review and evaluation. As set forth in the RFP, proposals were evaluated and scored by the Evaluation Committee members based on:

- Personnel qualifications and experience
- Experience demonstrated on projects of a similar size and scope
- Ability to complete the scope of work based on the technical proposal

Fee schedules were not provided to the Evaluation Committee. The Authority's Procurement staff evaluated and scored the pricing, applied the weighting percentages to all criteria, then compiled and completed the overall scoring for each Proposal. The following firms were recommended for contract award to market the program and conduct outreach to generate their own leads in any of the three (3) designated geographic regions throughout the State:

Rank	Proposer	Score	Comment
1	Beyond Media Global, LLC	4.4	Proposal met threshold score of 3.0
2	New Frontier	4.2	Proposal met threshold score of 3.0
3	Masterpiece Design	3.8	Proposal met threshold score of 3.0
4	Tara Dowdell Group, LLC	3.6	Proposal met threshold score of 3.0, lower ranked price
5	Positive Solutions, LLC	3.6	Proposal met threshold score of 3.0, higher ranked price
6	360 Marketing and PR	3.5	Proposal met threshold score of 3.0
7	eGrove Systems Corporation	3.3	Proposal met threshold score of 3.0

The Authority will provide leads to firms by awarded geographic region, on a rotating basis starting with the highest scored firm in each geographic region as follows:

Northern New Jersey Region		
Rank	Proposer	Score
1	Beyond Media Global, LLC	4.4
2	New Frontier	4.2
3	Masterpiece Design	3.8

Central New Jersey Region		
Rank	Proposer	Score
1	Beyond Media Global, LLC	4.4
2	Masterpiece Design	3.8
3	Positive Solutions, LLC	3.6

Southern New Jersey Region		
Rank	Proposer	Score
1	Beyond Media Global, LLC	4.4
2	Masterpiece Design	3.8
3	360 Marketing & PR	3.5

Budget and Payment

The one million dollar (\$1,000,000) contract award will be expended incrementally, spread unevenly between Contractors over the Contract term as services are provided. Following project approval, the Authority will pay the Contractor fifty percent (50%) of the estimated project cost. Final payment will be issued upon successful completion of the project, as evidenced by photographs of completed work and completed customer feedback form.

Recommendation

The Members of the Board are requested to approve: (1) Creation of the Small Business E-commerce Support Program – a pilot product under the Main Street Recovery Finance Program that will offer up to one million dollars (\$1,000,000) in e-commerce/digital marketing consulting services to be provided to eligible New Jersey restaurants, retail stores and personal care businesses (e.g., barbershops, hair salons, nail salons, etc.) that are situated in a commercial location and meet the U.S. Small Business Administration (SBA) definition of a small business, to assist with the development of websites, e-commerce platforms and digital marketing plans; (2) Utilization of up to one million dollars (\$1,000,000) from the Main Street Recovery Finance Program to fund the Small Business E-commerce Support Program, with delegation to the Authority’s Chief Executive Officer to increase funding up to a total of four million dollars (\$4,000,000) in the event the demand exceeds the one million dollars (\$1,000,000); and (3) Delegation to the Authority’s Chief Executive Officer to approve individual requests for an Small Business E-commerce Support in accordance with the terms set forth in the attached product specifications, to decline requests, based solely on non-discretionary reasons and for final administrative decisions on appeals of non-discretionary declinations based solely on non-discretionary reasons.



Tim Sullivan, CEO