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STATE OF NEW HAMPSHIRE  
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT  
DIVISION OF ECONOMIC DEVELOPMENT

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May 27, 2015

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Executive Council  
State House  
Concord, NH 03301

**REQUESTED ACTION**

Authorize the Department of Resources and Economic Development (DRED) to enter into a **SOLE SOURCE** Cooperative Project Agreement with the University of New Hampshire, Small Business Development Center (VC #177867 (B012)) in the amount of \$630,000 for continued support of a statewide Small Business Development Center (NH SBDC) program for the period July 1, 2015 to June 30, 2017. 100% General Funds.

Funding in Fiscal Years 2016 and 2017 is contingent upon availability and continued appropriation, as follows:

03-35-35-350510-20840000	<u>FY 2016</u>	<u>FY 2017</u>
Small Business Development Center		
102-500731 Contracts for Program Services	\$315,000	\$315,000

**EXPLANATION**

The Cooperative Project Agreement describes the work plan for continued support of the NH SBDC program for the purpose of providing business advising, education, information and assistance to New Hampshire's small businesses. In existence since 1984, the NH SBDC is a cooperative venture between the US Small Business Administration (SBA), DRED, the various components of the University System of New Hampshire, and the private sector. DRED provides roughly 25% of NH SBDC's budget. This partnership leverages resources and provides critically needed services to the small business community in a cost-effective and efficient manner.

New Hampshire has more than 132,641 businesses, 96.1% of which are classified as "small." There is strong evidence that small business creates a majority of new jobs and thus has a significant impact on the State's economy. There is also evidence that owners and managers of many small businesses often lack some of the skills needed to start and run a successful business. Therefore, the principal function of the NH SBDC program is to design and carry out quality business advising, training, and educational services to help existing business owners reduce operating costs and respond to changing market conditions in order to become more competitive and more profitable. Through its participation, the State is in a better

position to respond to the various, and often changing, needs of New Hampshire's small business community.

The NH SBDC program provides free, confidential, one-on-one business management advice and low-cost education and training programs to New Hampshire's small businesses. Services are delivered through five regional offices located in Manchester, Keene, Nashua, the Seacoast, and in the North Country. Staffed by highly qualified business advisors, these regional offices provide assessment, evaluation, advice, education, referral, and whatever else is needed to promote success for each business client.

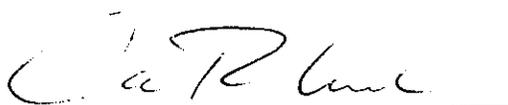
The NH SBDC client companies generate revenue, create jobs, and contribute to New Hampshire's economy. In 2014, \$361 million in sales was generated by New Hampshire SBDC clients, \$22.5 million in new financing was obtained by NH SBDC clients, 205 new jobs were created and 3,150+ were employed by the NH SBDC client companies. The NH SBDC also assisted clients with 76 new startup ventures in 2014! Each \$1 spent on an NH SBDC business advisor yields back \$10.22 in taxes to the State and sustains \$158 of wages for New Hampshire workers. The NHBDC program builds strong businesses and is a revenue generator for New Hampshire.

New Hampshire's economic development efforts are enhanced by this support of small companies who, in turn, promote growth and create jobs. The NH SBDC works closely with the Division of Economic Development through referral exchanges and special projects designed to meet the needs of the New Hampshire small business community by promoting entrepreneurship and education. For all of the reasons stated above, we respectfully request to continue our agreement with the NH SBDC on a sole source basis.

The Attorney General's office has approved this agreement as to form, substance and execution.

Respectfully submitted,

Concurred,



Carmen Lorentz, Director



Jeffrey J. Rose, Commissioner



TDD ACCESS: RELAY NH 1-800-735-2964  
DIVISION OF ECONOMIC DEVELOPMENT

**COOPERATIVE PROJECT AGREEMENT**

between the

**STATE OF NEW HAMPSHIRE, Department of Resources & Economic Development**

and the

**University of New Hampshire** of the UNIVERSITY SYSTEM OF NEW HAMPSHIRE

- A. This Cooperative Project Agreement (hereinafter "Project Agreement") is entered into by the State of New Hampshire, **Department of Resources & Economic Development**, (hereinafter "State"), and the University System of New Hampshire, acting through **University of New Hampshire**, (hereinafter "Campus"), for the purpose of undertaking a project of mutual interest. This Cooperative Project shall be carried out under the terms and conditions of the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002, except as may be modified herein.
- B. This Project Agreement and all obligations of the parties hereunder shall become effective on the date the Governor and Executive Council of the State of New Hampshire approve this Project Agreement ("Effective date") and shall end on **6/30/17**. If the provision of services by Campus precedes the Effective date, all services performed by Campus shall be performed at the sole risk of Campus and in the event that this Project Agreement does not become effective, State shall be under no obligation to pay Campus for costs incurred or services performed; however, if this Project Agreement becomes effective, all costs incurred prior to the Effective date that would otherwise be allowable shall be paid under the terms of this Project Agreement.
- C. The work to be performed under the terms of this Project Agreement is described in the proposal identified below and attached to this document as Exhibit A, the content of which is incorporated herein as a part of this Project Agreement.

Project Title: **2016-2017 Small Business Development Center**

- D. The Following Individuals are designated as Project Administrators. These Project Administrators shall be responsible for the business aspects of this Project Agreement and all invoices, payments, project amendments and related correspondence shall be directed to the individuals so designated.

**State Project Administrator**

Name: Carmen Lorentz  
Address: NH Department of Resources & Economic Development  
172 Pembroke Road  
Concord, NH 03302-1856  
Phone: 603-271-2341

**Campus Project Administrator**

Name: Dianne Hall  
Address: University of New Hampshire  
Sponsored Programs Administration  
51 College Rd. Rm 116  
Durham, NH 03824  
Phone: 603-862-1942

- E. The Following Individuals are designated as Project Directors. These Project Directors shall be responsible for the technical leadership and conduct of the project. All progress reports, completion reports and related correspondence shall be directed to the individuals so designated.

**State Project Director**

Name: Carmen Lorentz  
Address: NH Department of Resources and Economic Development  
172 Pembroke Road  
Concord, NH 03302-1856  
Phone: 603-271-2341

**Campus Project Director**

Name: Richard Grogan  
Address: University of New Hampshire  
Small Business Development Center  
10 Garrison Ave. #201  
Durham, NH 03824  
Phone: 603-862-4879

F. Total State funds in the amount of **\$630,000** have been allotted and are available for payment of allowable costs incurred under this Project Agreement. State will not reimburse Campus for costs exceeding the amount specified in this paragraph.

Check if applicable

Campus will cost-share \_\_\_\_\_ % of total costs during the term of this Project Agreement.

Federal funds paid to Campus under this Project Agreement are from Grant/Contract/Cooperative Agreement No. \_\_\_\_\_ from \_\_\_\_\_ under CFDA# \_\_\_\_\_. Federal regulations required to be passed through to Campus as part of this Project Agreement, and in accordance with the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002, are attached to this document as Exhibit B, the content of which is incorporated herein as a part of this Project Agreement.

G. Check if applicable

Article(s) \_\_\_\_\_ of the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002 is/are hereby amended to read:

H.  State has chosen **not to take** possession of equipment purchased under this Project Agreement.  
 State has chosen **to take** possession of equipment purchased under this Project Agreement and will issue instructions for the disposition of such equipment within 90 days of the Project Agreement's end-date. Any expenses incurred by Campus in carrying out State's requested disposition will be fully reimbursed by State.

This Project Agreement and the Master Agreement constitute the entire agreement between State and Campus regarding this Cooperative Project, and supersede and replace any previously existing arrangements, oral or written; all changes herein must be made by written amendment and executed for the parties by their authorized officials.

IN WITNESS WHEREOF, the University System of New Hampshire, acting through the **University of New Hampshire** and the State of New Hampshire, **Department of Resources and Economic Development** have executed this Project Agreement.

**By An Authorized Official of:  
University of New Hampshire**

Name: Karen Jensen  
Title: Manager, Sponsored Programs Administration  
Signature and Date: \_\_\_\_\_

**By An Authorized Official of: the New  
Hampshire Office of the Attorney General**

Name: Brian Buonanno  
Title: AAG  
Signature and Date: \_\_\_\_\_ 6/9/15

**By An Authorized Official of: OR  
Department of Resources and Economic  
Development**

Name: Jeffrey J. Rose  
Title: Commissioner  
Signature and Date: \_\_\_\_\_ 6/8/15

**By An Authorized Official of: the New  
Hampshire Governor & Executive Council**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature and Date: \_\_\_\_\_

## EXHIBIT A

**A. Project Title:** 2015-2017 Small Business Development Center

**B. Project Period:** July 1, 2015 through June 30, 2017

**C. Objectives:** The purpose of this Cooperative Project between the NH Department of Resources and Economic Development (DRED) and the University of New Hampshire (Campus) is to support small business assistance in New Hampshire through the continued operation of the NH Small Business Development Center (SBDC). The State funds allocated by DRED will help meet the federal requirement for matching ongoing U.S. Small Business Administration (SBA) grant awards supporting the NH SBDC, as well as assure the continuance of a statewide small business assistance program to result in the creation of new businesses and jobs, increased per capita income, and tax revenue generation.

**D. Scope of Work:** The NH SBDC will provide quality management assistance to the small business community in New Hampshire through one-on-one, long term business advising, educational training programs, and informational materials.

### 1. Business Advising

The NH SBDC's one-on-one management advising component continues to meet a critical need of small businesses in the State by providing the tools and personal guidance needed for success. Recognizing that there is a need for quality business advising within the small business community, and in an effort to avoid duplication of effort, the NH SBDC utilizes numerous resources and partners throughout New Hampshire to deliver the quality business advising services the small business community demands.

Federal legislation requires that state Small Business Development Centers be hosted by educational institutions. In New Hampshire, since its inception in 1984, the NH SBDC has been hosted by the University System of New Hampshire's Durham Campus and its Peter T. Paul College of Business and Economics. The regional NH SBDC offices are strategically located to take advantage of resources across the state. These offices will continue to be staffed by professional business advisers as resources permit.

Business Advising services and activities during the Project Period will include the following:

- Working with existing, emerging, and growing small businesses, the NH SBDC will assist approximately 800 business clients who want to learn management skills, secure financing, control growth and develop feasibility, marketing and/or business plans.
- Additional services will focus on meeting goals identified in the NH SBDC Strategic Plan, which incorporates the state's goals for business development.
- The NH SBDC will provide services specified in the prevailing U.S. SBA/SBDC Program Announcements and U.S. SBA – Campus Cooperative Agreements.
- The NH SBDC will build and maintain a two-way referral network with relevant NH Economic Development agencies, such as the NH Business and Industry Association,

New Hampshire High Tech Council, community colleges, Community Loan Fund, Manufacturing Extension Partnership, and other DRED partners providing small business services by providing clients with appropriate agency contact and service information. The NH SBDC will increase opportunities for small business success.

- Business advisers will attend appropriate professional development activities, especially in areas where their individualized professional development plans identify opportunities for growth.
- SBDC staff will participate in DRED-hosted meetings as appropriate.

## **2. Education and Training**

The NH SBDC Educational Program Office will continue to meet the needs of small business owners and managers by offering consistent, high quality training programs through a comprehensive e-learning program, focused regional workshops and statewide events. In response to the demand by small businesses for access to business development information online, the SBDC has transitioned its training program from primarily hosting regional workshops to providing e-courses that are available to NH businesses 24/7, anytime, anywhere and supplementing these with regional and statewide events.

Educational program activities during the Project Period will include the following:

- Hosting e-courses on appropriate business topics, such as management, marketing and financing. Each of these courses currently ranges from 15 minute “mini courses” to 3½ hours long. Courses primarily consist of voiceover slides with links to resources and tools, and/or other media, as appropriate. Courses will cover such topics as Crafting a Business Plan, Accounting 101, Small Business Marketing, Choosing a Legal Structure, Buying a Business, Pricing Strategy and Tactics, and other subjects of particular interest to small businesses.
- Maintaining NH specific e-courses with current information and contacts, including Starting a Business in NH, Financing a Business in NH, Social Media for Small Business, Advanced Social Media Tools and Tactics for Small Business, Creating an e-Commerce Business, Basics of Online Global Marketing and Basics of Export Documentation.
- Marketing and promoting these e-courses so that businesses across the state are aware of the courses.
- Continually evaluating the e-courses to assess topical relevance to our client population, characteristics of course participants, and strategic usefulness to SBDC’s mission.
- Offering - in whole or in partnership - workshops in the State, as indicated by demand and staff/partner availability, on such topics as QuickBooks and business basics as well as topics related to environmental management, sustainability and workplace safety.
- Helping to organize and co-sponsor statewide events such as Small Business Day at the State House, Small Business Matchmaking, the SBA Awards Luncheon, and SBIR/STTR training.

## **3. Communication**

The NH SBDC State Director will meet 2-3 times per year with the NH SBDC Funding Partners to discuss program ideas and provide progress reports. Members include the Dean, Campus Paul College of Business & Economics; District Director, U. S. Small Business Administration; Commissioner, NH Department of Resources and Economic Development, or Director of the Division of Economic Development; and the Chair of the NH SBDC Advisory Board. Additional meetings between DRED and NH SBDC staff may be scheduled, as appropriate.

The NH SBDC State Director will also meet with the NH SBDC Advisory Board, made up of small business and private sector partners, at least three times a year. DRED Commissioner and/or Director of the Division of Economic Development will participate in the nomination process for appointments to the SBDC Advisory Board.

In publicizing events and during broad-based Public Relations efforts the NH SBDC and the NH Division of Economic Development will mutually promote each other's services and efforts, including in-person attendance and display items/promotional literature, as appropriate and where feasible. The NH SBDC will promote NH DRED as their partner in all such related materials. To this end, NH SBDC and NH DRED will inform each other – within 30 days where possible – of upcoming events, in order to maximize participation and PR opportunities for both organizations. To enhance areas of staff expertise when possible, the NH SBDC will collaborate with the Division of Economic Development in offering staff of both organizations an agreed upon number of pro bono slots at regional and statewide training events.

#### **4. Evaluation**

During the Project Period, the NH SBDC will substantiate and quantify, to the greatest extent possible, the economic impact and cost/benefit of its services. At the end of the designated work period, the NH SBDC will provide DRED with an analysis of program performance in a mutually agreed upon format. The NH SBDC will measure where possible, the impact of this program on the small business community in New Hampshire and the overall economic impact to the State. Only methods and criteria agreed upon by DRED, the NH SBDC, and federal partners will be used. The criteria to evaluate the cost effectiveness of the NH SBDC's public service will include such factors as total numbers and types of clients served and jobs created, and investments made by NH SBDC clients. Such evaluation will take place on a regular basis, and will be coordinated with federally-mandated, U.S. SBA, and/or other federal or State evaluation activities planned for the project period. Evaluations will be performed so as to maintain client confidentiality in accordance with U.S. SBA requirements.

#### **5. Client Referrals**

The NH SBDC and DRED will utilize the existing process to handle client referrals and provide feedback to the referring agency on the action taken. The NH SBDC supports the development of DRED's state-wide contact database to track contacts and referrals without compromising the confidentiality agreement between NH SBDC clients and the business advisers. The NH SBDC will offer a referral to DRED for services to counseling clients, as deemed appropriate. Upon receiving permission from the client(s) to disclose their identity, the NH SBDC will pass along the name(s) and telephone number(s) to the appropriate DRED contact. All appropriate DRED staff will be asked to sign a Campus/NH SBDC confidentiality agreement (also signed by all NH SBDC staff) protecting the privacy of clients referred.

Further, the NH SBDC will collaborate with DRED and other State agencies wherever possible in the development and implementation of state economic development policies, up to and including representation on mutually beneficial boards and committees, all based upon NH SBDC staff resources and availability.

## 6. Campus

Campus will continue to provide, at its own expense, physical space, facilities, utilities, and other similar support to the NH SBDC. Campus serves as fiscal agent for NH SBDC programs.

- E. Deliverables Schedule:** Reporting and monitoring procedures are mandated by Federal law and imposed upon the NH SBDC through federal grants and cooperative agreements awarded to Campus, which administers the NH SBDC. DRED will have the same rights and access to reported program information as are conveyed in the U.S. SBA awards that support the NH SBDC. The SBA, DRED, and Campus will seek to negotiate any difference(s) that may arise due to this partnership agreement, in order to assure that all parties of this agreement are mutually satisfied and that their separate interests are fully protected and their individual intentions are fulfilled.

The NH SBDC will submit the following reports to DRED, such as (and potentially other materials as agreed to by DRED and NH SBDC):

- Annual Report for SBA, by March 30 of each year
- Accreditation reports, every five years
- SBA notice of award once funded
- SBA semi-annual report

The following statement will appear in reports and other printed materials, as appropriate, prepared by the NH SBDC:

“This program is a cooperative venture sponsored by the U. S. Small Business Administration, the New Hampshire Department of Resources and Economic Development, and the University of New Hampshire. Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the views of the sponsors.” In addition to the NH SBDC logo, any promotional material will include as appropriate New Hampshire Division of Economic Development logo and the UNH Paul College logo. Each organization will be responsible for providing any logo changes or amendments to the partner organizations as soon as such changes are approved for use in future materials.

- F. Budget and Invoicing Instructions:** Campus will invoice State no more frequently than monthly for costs incurred under this Project Agreement in accordance with the approved budget. Payments to Campus will be made by State upon receipt and approval of invoices by State. Such invoices will clearly delineate all current and cumulative program expenditures by major budget category.

**NOTE:** State funds are solely to be used for direct expenses.

Budget Items	State Funding	Cost Sharing (if required)	Total
1. Salaries & Wages	484,379	0	484,379
2. Employee Fringe Benefits	145,621	0	145,621
3. Travel	0	0	0
4. Supplies and Services	0	0	0
5. Equipment	0	0	0
6. Facilities & Admin Costs	0	0	0
Subtotals	630,000	0	630,000
<b>Total Project Costs:</b>		<b>630,000</b>	