



Micro Enterprises Resources Initiatives and Training

Request for Proposal

Open December 19, 2019

Closing January 24, 2020 at 5:00 PM

Environment

The 2013 American Community Survey shows 42% of residents living in the Corridor are Latino, compared to 19% City-wide. The Corridor is home to several Latino food vendors and small shops. This area lacks grocery stores and restaurants. The project's assessment of retail needs in the Corridor showed an unmet need for the types of services that a food hub could provide. Specific opportunities identified include a deficit in supermarkets and limited-service restaurants (in which patrons generally order and pay before eating).

The Portland Road Corridor has experienced economic decline, including depreciating property values, vacant and underutilized properties, and lack of new investment. In 2013, the Urban Renewal Agency (Agency) directed staff and the North Gateway Redevelopment Advisory Board (NGRAB) to identify strategies that increase economic activity and jobs in the Corridor. The research associated with that process found that the area's residents must travel beyond the corridor for their daily needs and that there is strong community desire for increased food access and investments that can provide central gathering spaces.

The past planning efforts led to the Portland Road Action Plan (2016), identifying opportunities to support and grow small business activity, provide small, flexible industrial/commercial space, increase retail, restaurants, and other affordable food options. The strategies being considered include supporting efforts for new food businesses possibly

capitalizing efforts that focus on the Corridor's existing local demand, access to major roads, and the existing base of food production industries. The following includes the city of Salem's investment goals:

The City's priority for the Community Food Study, as stated in the Portland Road Action Plan, is to focus on each concept's potential to increase economic activity and revitalize the Portland Road Corridor (including the evaluating of end uses for specific opportunity sites). A viable business concept would need to be both financially feasible and in support of the City's investment goals:

1. Catalyze development in the Portland Road Corridor.
2. Encourage the growth of small, food related businesses and entrepreneurs in the Corridor.
3. Expand access to fresh, affordable, food for neighborhood residents and employees. Create a destination for residents and employees with gathering space, food, and other goods.
4. Attract people from outside the area with unique offerings of food, kitchen space, training/education, events, goods and/or services; strengthen Corridor identity.
5. Support the local economy by providing access for farmers to larger retail and institutional markets; strengthen connections among growers, producers, and processors; raise awareness for the value of locally grown/processed foods

Request for Proposals

MERIT is seeking an individual, agency or consulting firm to complete a Feasibility Study for a food hub along the Portland Corridor in Salem, Oregon that will evaluate feasibility of a public market, food incubator, and/or food hub, as opportunities for increasing food access, entrepreneurial development, employment opportunities, and spur economic activity along the Portland Road Corridor.

Purpose

The Portland Road Action Plan identified needs and opportunities supported by initial market data included in the Community Food Study. A feasibility study is necessary to determine if the project components such as Public Market, Incubator, and Food Hub are viable and whether they are mutually exclusive or complementary.

The feasibility

The study should examine three distinct concepts identified in three sections of this report:

1. A food business incubator and/or commercial kitchen concept that would incubate new businesses, provide training and support during the incubation process assisting them through the startup period.
2. A public market concept that would be a year-round permanent destination where local and regional food producers, artisans, and other businesses could bring their products and sell them directly or indirectly to consumers. Identify if a public market can serve as a

gathering place for the community and increase access to healthy food for the surrounding community.

3. A food hub concept that would aggregate local agricultural products for retail and institutional sales and could provide other support services.

The goal of the feasibility study is to determine if a food hub model for the Portland Corridor is financially viable to support small business venture and stimulate economic activity, create employment opportunities and increase access to affordable healthy food for the residents living in or near the Portland Corridor. The Feasibility Study and food hub location should address possible solutions to the “food desert” in the Portland Corridor.

The Feasibility Study shall be prepared between March 2020 and end of August 2020. The successful team will work with MERIT staff and the North Gateway Revitalization Advisory Board (NGRAB) throughout the project, present milestone accomplishments and present the final study to the MERIT Board and Executive Director by September 10, 2020.

Feasibility Study components

Market analysis

This portion of the Feasibility Study should be locally informed. The methodology for acquiring specific, local information/data about producers and buyers should be stated in response to this RFP.

- Demand analysis: Determine the type of demand that exists for a food hub and its products. Establish the size of the market and its growth capacity. Identify price points of products that would spur interest in locally produced foods.
- Local organizations should be considered in the analysis.
- Existing food processors and producers: Portland Road businesses could be a key informants’ in the demand analysis.
- Other organizations such as Business Oregon, local chambers of commerce etc., could provide insight into the market analysis
- The food hub’s initial focus may be specialized in order to create a financially sustainable business; however, the goal is to grow the facility into a true “hub” for local foods and business development and community interaction.

Supply analysis

Identify producer capacity and existing infrastructure, including the number and characteristics of food entrepreneurs and producers. Assess number of acres of production growers could supply, type of produce and length of season projected over the next 5 years.

- The willingness of producers to learn and adhere to food safety and traceability measures should be addressed in this section.

- Ideas that would extend the season for product availability, such as greenhouse production or food processing (freezing, drying) should be discussed.
- Relationship analysis: Describe and assess other local food efforts in the Willamette Valley and the potential to collaborate and coordinate services with a food hub on Portland Road in Salem, Oregon.
- Can the proposed food hub tap into existing food distribution networks?

Competitive advantage analysis

The food hub must be financially self-sustaining, even if early efforts are possibly subsidized by grant monies; the long-term goal is to attract other food hub businesses that will generate additional revenue.

- How will the services provided by a food hub differ from those offered by competitors?
- Why will entrepreneurs and small businesses be interested in participating in food hub incubation activities?
- Why will customers purchase products from the food hub rather than from competitors?
- What are the barriers to a food hub being created in the current location?
- What will make the food hub successful to the community, such as entrepreneurs' producers and buyers, and how can it remain financially sustainable?

Infrastructure and logistics analysis

- Based on best practices what would be the most appropriate food hub model for the Portland Road location
- What type of equipment would be needed and what type of facility will be needed?
- What would the operational cost of a Food Hub be?
- What would be the staffing requirements?

Business analysis

A food hub can take many forms, but this analysis should propose an optimal form and specific business activities that are financially feasible and accomplish the city of Salem's Investment goals stated on page 1 and 2 of this RFP. An appropriate management strategy to accomplish These activities with an analysis for the initial start-up to be provided in this feasibility. The feasibility should include:

Operating model

The initial business may be limited in scope, but should have the ability to grow and expand services for a broader range of producers and buyers

- What food safety and business regulations will the food hub have to meet?
- What are the risks associated with operating a food hub?
- How is a food hub to be insured and by whom?

Business structure

How should the Food Hub be organized, should the Food Hub be private, non-profit or cooperatively owned?

Financial feasibility analysis

Address the financial feasibility of the Food Hub model with a prepared:

- 5-year sales forecast
- Estimate start-up and working capital requirements and possible sources of funding
- Estimate of profitability
- Cash Flow: How will the cash flow from seasonal supply and demand affect the operation of a food hub?
- Estimate of monthly cash flow needs

RFP Submission

Budget and Contract:

- Funding - TBD
- Consultant shall enter into a contract with MERIT
- If the project will be done by a single individual, propose an alternative plan if illness or other circumstances hindered completion of the project according to the agreed upon timeline.

Proposal Submissions:

- Submit proposals by January 24, 2020 (5:00 pm PST)
- Submissions may be submitted electronically to info@meritnw.org with Food Hub RFP as the subject in the email.
- If you do not have access to electronic mail you can mail your application to MERIT Attention: Director of Program Services at 2640 Portland Rd NE, Salem, Oregon
- Proposals will not be accepted after the closing date. We are not responsible for electronic submission failure.

- Minority-owned and women-owned businesses are encouraged to apply.

Qualifications (to be submitted with Proposal):

- Relevant experience with small business development, economic development, local food hubs and a statement as to why the person or organization is uniquely qualified to produce this feasibility study.
- Breadth of experience conducting feasibility studies
- Credentials
- Contact information including address, phone number, email address and fax number

Proposal requirements:

- Cover letter
- Detailed work plan with specific deliverables and identified milestones during the process
- Description of planned stakeholder interface
- Itemized budget
- Feasibility report template
- Two examples of completed projects (links to projects will be accepted)
- Three references
- Resume

Evaluation Process:

Selected, qualified candidates will be expected to present their proposal to the MERIT board with representatives of NGRAB at the MERIT office on 2640 Portland Rd NE, Salem, Oregon 97301. The final decision will be based on:

- Demonstrated expertise, experience and qualifications
- Study plan and methodology
- Timeline for completion
- References
- Overall quality and thoroughness of proposal

The MERIT Board has the right to reject any proposal.

Final selection will be made by March 2, 2020

Contact Information

Questions: should go to

MERIT

Attention: Food Hub Question

2640 Portland Rd NE, Salem, Oregon

or info@meritnw.org with Questions Food Hub RFP in the subject.