



Legislation Text

File #: 2087-2021, **Version:** 1

BACKGROUND: This legislation authorizes the Director of Development to enter into a not-for-profit service contract with the Tony R. Wells Foundation in an amount up to \$4,500,000.00 of federal American Rescue Plan Act (ARPA) funds to provide fiscal agent and other services as part of the 2021 Columbus-Franklin County Small Business COVID-19 Response and Recovery Program and to pay for expenses starting March 3, 2021.

Ordinance 1201-2021 authorized the City of Columbus to accept and appropriate approximately \$187,030,138.00 of federal American Rescue Plan Act (ARPA) funds as signed into law by the President of the United States on March 11, 2021.

Similar to the 2020 Columbus-Franklin County COVID-19 Small Business Response and Recovery Program implemented by the City and Franklin County in 2020 using CARES Act funds, the department (and the county) will partner with the Wells Foundation and Columbus State Community College's Small Business Development Centers (SBDC) to provide economic support to small businesses negatively impacted by COVID-19 using ARPA funds. SBDC will facilitate the city-county program and the Wells Foundation, acting as a contractor, will hold and disburse the funds to eligible businesses (as defined by U.S. Treasury). A separate ordinance will be put forth to enter into an agreement with SBDC.

The not-for-profit service contract will include up to a 10% fee paid to the Wells Foundation for administration expenses.

It is expected that the guidance from the U.S. Department of Treasury will be modified while this not-for-profit service contract is in effect and it is requested that the Director of Development be given the authority to modify the terms and conditions of the not-for-profit service contract without seeking additional Council approval in order to align with the most current version of the laws, regulations, and guidance.

The mission of the Wells Foundation to "Create value for the community by developing stronger nonprofit leaders and investing in the next generation of social innovations". The Wells Foundation focuses on creating value for the community through social innovation, impact investing, and leadership development. Since 2001, the Wells Foundation has worked with hundreds of non-profits and start up social entrepreneurs to help with fiscal management, business plans, organizational structure, social innovation, impact investing, and leadership development. The Wells Foundation was named "Foundation of the Year" in 2016 by the Association of Fundraising Professionals.

The services included in this not-for-profit service contract cannot be provided by existing city employees because these services are beyond the City's current staffing capacity to provide.

Emergency action is requested to address the impacts of the COVID-19 health emergency.

FISCAL IMPACT: Funding is provided to the City of Columbus from the American Rescue Plan Act passed by Congress and signed into law March 11, 2021.

CONTRACT COMPLIANCE: the vendor number is 038668 and expires 7/20/2023.

To authorize the Director of the Department of Development to enter into a not-for-profit service contract with the Tony R. Wells Foundation in an amount up to \$4,500,000.00 to provide fiscal agent and other services as part of the 2021 Columbus-Franklin County Small Business Response and Recovery Program and to pay for expenses starting March 3, 2021; to authorize the Director of Development to modify the terms and conditions of the not-for-profit service contract if

necessary to comply with federal guidelines without seeking further City Council approval; to authorize the expenditure of up to \$4,500,000.00 of ARPA funds from the Recovery Fund; and to declare an emergency. (\$4,500,000.00)

WHEREAS, the Wells Foundation is a national leader in providing non-profits and start up social entrepreneurs with fiscal management, business plans, organizational structure, social innovation, impact investing, and leadership development; and

WHEREAS, the 2021 Columbus-Franklin County COVID-19 Small Business Response and Recovery Fund will build on the success of the 2020 Fund that helped hundreds of Columbus small businesses with financial and technical assistance to address severe hardship caused by the COVID-19 pandemic; and

WHEREAS, the COVID-19 pandemic has resulted in negative impacts on small businesses, such as loss profits, reduced hours, reduced customers, and even closing for a period of time; and

WHEREAS, expenditure of ARPA funding to support small business recovery is necessary to alleviate the negative impacts caused by the COVID-19 public health emergency; and

WHEREAS, such expenditure of funds has not been previously accounted for in the 2021 Budget; and

WHEREAS, an emergency exists in the usual daily operation of the department of Development in that it is immediately necessary to authorize the Director to enter into a not-for-profit service contract with the Tony R. Wells Foundation in order to address the impacts of the COVID-19 health emergency, such immediate action is necessary for the preservation of the public health, peace, property, safety and welfare; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of the Department of Development is authorized to enter into a not-for-profit service contract with the Tony R. Wells Foundation in the amount up to \$4,500,000.00 to provide fiscal agent and other services as part of the 2021 Columbus-Franklin County Small Business COVID-19 Response and Recovery Program and to pay for expenses starting March 3, 2021 and to modify the terms and conditions of the not-for-profit service contract if necessary to comply with federal guidelines without seeking further City Council approval.

SECTION 2. That for the purpose stated in Section 1, the expenditure of \$4,500,000.00 or so much thereof as may be needed, is hereby authorized in Fund 2209 (ARPA Recovery Fund), Dept-Div 44-02 (Economic Development), in object class 03 (Services) per the accounting codes in the attachment to this ordinance.

SECTION 3. That this contract is awarded in accordance with the relevant provisions of City Code Chapter 329 relating to not-for-profit service contracts.

SECTION 4. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 6. That, for the reasons stated in the Preamble hereto, which is hereby made a part hereof, this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.