

COVID-19 Outbreak

New Jersey Economic Development Authority (NJEDA)

New Jersey Small and Micro Business PPE Access Program

Notice of Funding Availability: Application become available beginning 9:00 am on Wednesday, August 19, 2020

Overview

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey's efforts to contain the spread of COVID-19. In the following months, New Jersey (and the country) saw an unprecedented spike in the demand for COVID-19 PPE and safeguarding materials, largely driven by the healthcare sector. With much of the economy shut down, market supply for PPE was scarce, but over time began to meet the needs of health care and emergency service workers. However, as more parts of the economy have reopened, the required demand for PPE needed to protect employees and customers has surged and there is concern that shortages may return.

On August 11, 2020, the New Jersey Economic Development Authority (NJEDA) approved the creation of the NJ Small and Micro Business PPE Access Program, which was developed in response to the need for readily available, competitively priced, and equitably distributed PPE to accelerate economic recovery in New Jersey.

More than one third of all New Jersey workers are employed by organizations of 100 employees or fewer. Many of these companies do not have the reach or the resources to obtain goods outside of their normal retail buying channels, particularly in times of significant supply/demand imbalances. PPE falls squarely into the category of a good that was not essential to many of these organizations before the COVID-19 outbreak but is critical today.

Under normal conditions changes in a business marketplace are met with changes on the part of the supply chain; a new demand will stimulate new sources of supply. While normalcy will return to the PPE marketplace over time, many businesses, employees, and customers cannot wait for that slow natural rebalancing to occur. They compete each day against much larger, more powerful market participants.

Small businesses or organizations in historically underserved communities are particularly vulnerable to being crowded out of essential goods when tight market conditions occur. The State's commitment to building a stronger and fairer New Jersey makes attention to the needs of this community and in this setting all the more pressing. Leaving these organizations to fend for themselves exposes them to inconsistent sources of supply as well as to potential price gouging and quality issues. All of this poses a risk to the State's recovery and its economy, in particular employment by New Jersey small businesses.

Purpose

The NJ Small and Micro Business PPE Access Program has been designed to have a rapid and widespread impact on the availability of PPE in New Jersey, especially ahead of the upcoming flu season. By approving qualified Designated Vendors to establish special e-commerce websites that will sell discounted PPE to New Jersey small businesses and organizations, the program will make it easier and more affordable for local organizations to access high-quality and affordable PPE. Specifically, the program will:

1. Facilitate the State's economic recovery by ensuring that small and micro businesses and non-profit organizations – the customers – can access affordably priced PPE and other safeguarding equipment to protect their employees as they return to work and continue to operate in a COVID-19 environment;

2. Ensure small and micro businesses and non-profit organizations have the information they need to select the appropriate PPE needed for their context;
3. Ensure that businesses in historically underserved communities are particularly able to access affordable PPE; and
4. Support the State's small businesses and manufacturing sector by providing an offsetting subsidy for purchases of PPE that has been (i) manufactured or assembled at a manufacturing facility in New Jersey or (ii) purchased from a small wholesaler located in a historically underserved community (i.e., one of New Jersey's 715 Opportunity Zone Eligible census tracts).

Eligible Uses

Funding may be used to subsidize up to 20% of Designated Vendors' purchase of PPE that was:

- Manufactured or undergone material assembly (but more than mere repackaging) at a facility located within the State of New Jersey, *or*
- Sourced from a small wholesaler with fewer than 25 full time equivalent employees located in one of [New Jersey's 715 Opportunity Zone Eligible census tracts](#)

For the manufacturing-based subsidy, "assembly" means material assembly (more than mere repackaging) within the State of New Jersey. The manufacturing company that is selling the PPE does not have to be headquartered in New Jersey, but they must have a physical manufacturing and or assembly facility in the State.

For the wholesale-based subsidy, the wholesalers must have less than 25 FTE as reported on their most recent tax filing. The small wholesale company that is selling the PPE does not have to be headquartered in New Jersey, but they must have a physical location that is fully or partially located with an Opportunity Zone Eligible census tract.

NJEDA may request additional documentation from the Designated Vendor to confirm that the above criteria were met. As a part of our work on the pandemic, NJEDA has identified many manufacturers in the State that are now making or assembling PPE. We will make the names and contact details of these companies available to the Designated Vendors.

Grant Amounts

A \$3.5 million grant pool is available to subsidize Designated Vendors' purchases of PPE made or assembled in New Jersey *or* purchased from small wholesalers in Opportunity Zone Eligible Census tracts. This grant pool is available to Designated Vendors on a first-come, first-served basis based on date and time of firm purchase orders submitted to NJEDA.

There is no minimum or maximum size of grants to individual Designated Vendors but use of the grant funds will be contingent upon prior approval from NJEDA when the proposed PPE purchase (i) is 30% or more above prevailing wholesale market prices or (ii) will require use of \$250,000 or more of grant proceeds. NJEDA will review such request to ensure the proposed purchase is reasonable and, if approved, will reserve funds for such purpose for the earlier of ten business days after pre-approval or December 1st. The Designated Vendor will be required to provide evidence of the prevailing market prices with each purchase for which the Designated Vendor will claim grant funds.

Eligible Applicants

To be eligible to receive this funding, an applicant must be a Designated Vendor of the New Jersey Small and Micro Business PPE Access Program. Under the Program, any entity that wishes to participate and that (i) meets the prescribed eligibility criteria and (ii) agrees to the performance requirements of the Program may become a NJ PPE Access Designated Vendor. These eligibility criteria and performance requirements are as follows, and the application to become a Designated Vendor [may be accessed here](#).

Eligibility Criteria

To be designated as a NJ PPE Access Designated Vendor, applicants must meet the following minimum eligibility criteria (as of August 11, 2020):

1. Been engaged in one of the following:
 - a. (i) direct¹ consumer-facing or small business online distribution or (ii) wholesale sourcing of COVID-19 PPE, each for not less than two years, *or*
 - b. if the applicant company is under two years old, have a Senior Executive (CEO, COO, or other similar level executive) that has such experience on behalf of other companies for not less than four years;
2. Have revenues for the most recently completed fiscal year of not less than \$5 million;
3. Be registered to do business in NJ and have at least one commercial facility in the State, such as an office, a retail store, a warehouse, a manufacturing facility, etc.; and
4. Be able operationally, technologically and financially to meet the performance requirements laid out in the section below.

In addition, all applicants must pass NJEDA's standard debarment and legal review process, provide a tax clearance certificate, and be in good standing with the New Jersey Department of Labor and Workforce Development.

Performance Requirements

To be designated as a NJ PPE Access Designated Vendor, applicants must also demonstrate an ability to meet these performance requirements:

1. Designate a NJ PPE Access Program project manager with experience in running projects of similar scope and scale and having the authority to report on the performance of and coordinate requested changes to the online platform;
2. Create and support a dedicated website that:
 - a. Has a unique URL that clearly identifies the site as part of the NJ PPE Access Program;
 - b. Contains co-branding and text (to be provided by NJEDA Staff) that identifies the site as participating in the NJ PPE Access Program;
 - c. Offers the site in English and Spanish; and
 - d. Is designed so that visitors can learn about, purchase, pay for and have delivered a selection of PPE via a user-friendly and intuitive online platform (e.g., that utilizes pictures

¹ Note: selling through an unrelated company's online marketplace does not meet this criterion

for products, has clear and transparent pricing, is mobile-friendly, provides clear totals in check-out process);

3. Offer on the Vendor's NJ PPE Access Site at least seven of the nine Required product categories listed below (five out of the nine for Designated Vendors having under \$10 million in revenues):

Required:

- Cloth face masks
- 3-ply surgical face mask
- N95 and K95 masks
- Face shields and/or goggles
- Gloves
- Sanitizing gels
- Isolation gowns
- Screening devices, e.g., touchless thermometers
- Disinfecting supplies

Encouraged:

- Workplace safeguarding equipment, e.g., plexiglass panels and dividers
- Signage, marking devices and other social distancing tools;

4. Ensure that all PPE offered on the site is authentic (e.g., of the quality it proports to be) and meets the performance standards or minimum specifications proscribed by applicable federal and New Jersey health authorities, e.g., FDA, CDC, NJ DOH;
5. Provide NJEDA with a description/plan of how they intend to limit choices for any given product type to make it easier for a small business customer to quickly make choices; Designated Vendors will be expected to commit to executing any plans in good faith;
6. Provide a discount of not less than 10% (compared to the online retailer's main retail channel) for the PPE to all customers, such discount to be applied in the checkout process and identified as the "NJ Small Business PPE Access Program Discount;"
7. Ensure that customers with limited or no access to credit can utilize the site, e.g., by offering payments by debit card or gift card as an option;
8. Agree to coordinate with the NJEDA to develop a technical approach to offer certain businesses additional subsidies on their PPE purchases to be funded out of NJEDA grant funding (see below for additional details) in a potential second phase of the Program;
9. Present to NJEDA an internal working/demonstration version of the proposed solution within two weeks of the execution of the NJ PPE Access Participation and Subsidy Agreement and launch a fully operational site within two weeks thereafter;
10. Ensure that users opting to purchase merchandise from a Designated Vendor's non-Program website or catalog are made aware that they are leaving the Vendor's NJ PPE Access Site and that the benefits of the Program are not available for the purchase of such non-Program merchandise;
11. Provide NJEDA with a description/plan of how they intend to engage with NJ-based small businesses in historically underserved communities as part of this program, including but not limited to: potentially sourcing from such businesses and/or conducting any specific promotional outreach regarding availability of this program; Designated Vendors will be expected to commit to executing any plans in good faith;

12. Provide NJEDA with a description/plan for identifying and purchasing PPE from companies that manufacture or assemble in final form (repackaging excluded) PPE in New Jersey; Designated Vendors will be expected to commit to executing any plans in good faith;
13. Provide NJEDA with a weekly report on key performance metrics for their NJ PPE Access Site, including but not limited to:
 - a. Total sales by volume and transaction numbers
 - b. Total sales and outreach efforts to historically underserved communities
 - c. Total sales to businesses with fewer than 10 and 25 full-time equivalent (“FTE”) employees (may be implemented in the potential Phase 2 of the program)
 - d. Comparable market pricing or product pricing indices
 - e. Total amount of discounts provided; and
 - f. Total amount of subsidies using NJEDA advanced grant funding provided (part of the potential Phase 2 of the program)
14. Provide a complete accounting of the site’s activity no later than 90 days following the termination of the NJ PPE Access Participant Subsidy and Agreement;
15. Maintain and support the Vendor’s NJ PPE Access Site for a period of at least 12 months (or such shorter time as required to support small businesses through the COVID-19 Public Health Emergency); and
16. Remove the site and all NJEDA and NJ “The Road Back” branding at earlier of the end of the Program or the termination of the Designated Vendor’s participation therein.

Funding Disbursement

Disbursements to Designated Vendors from the \$3.5 million grant pool will be made on a first come, first served basis. Vendors will receive their subsidy up to 30 days after receipt of acceptable documentation of PPE purchase from a qualifying manufacturer or small wholesaler in NJ as well as the prevailing market prices.

To comply with state and federal expenditure requirements, the Designated Vendor must document that the PPE purchased is reasonably anticipated, at the time of PPE purchase, to be bought and used by purchasers before December 30, 2020. The Designated Vendor must submit request for NJEDA disbursement no later than November 30, 2020 to enable enough time for disbursement. Designated Vendors will be notified once the grant pool has been depleted.

Application Process

The application to become a Designated Vendor is in two parts: a Program Application ([available online here](#)) and a Legal Questionnaire, to be completed following the submittal of the Program Application. Applications will be reviewed on a rolling basis as they are received, and the application period will end on November 30, 2020. Applicants will be evaluated against eligibility criteria and asked to confirm their ability and willingness to meet certain vendor performance requirements (as described above). Applicants will be notified of the outcome by email, with an opportunity to provide additional or clarifying information, if necessary.

Once approved, Designated Vendors will be asked to sign the NJ PPE Access Program and Subsidy Agreement and present a demonstration version of their NJ PPE Access e-commerce site within two weeks. As the objective of the grant pool is to subsidize local spending, the full \$3.5 million subsidy will be

made available to Designated Vendors on a first-come, first-served basis based on date and time of firm purchase orders submitted to NJEDA.

Fees

No fees will be collected by the Authority for this program.

Additional Information

Additional information on the New Jersey Small and Micro Business PPE Access Program and this grant may be found at: <https://covid19.nj.gov/pages/about-the-nj-small-and-micro-business-ppe-access-program>

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