



OFFICE OF INSPECTOR GENERAL
City of Albuquerque

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Report of Investigation and Review

FILE NO: 19-0001-R

DATE: July 29, 2020

SUBJECT: EmprendeLatino, LLC

STATUS: Final

INVESTIGATOR: Peter Pacheco

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DISTRIBUTION:

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Chief Administration Officer
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Accountability in Government Oversight Committee
Economic Development Director
File

Executive Summary

The Office of Inspector General (OIG) for the City of Albuquerque (COA) received a request to conduct a performance review of a contract the Economic Development Department (EDD) had established with EmprendeLatino, LLC to support entrepreneurs in the Hispanic community. The organization had undergone a significant change in staffing and the requestor wanted to ensure that there were no performance problems as a result.

The COA desired to have the accelerator program in Albuquerque as an effort to combat the trends of disproportionate funding and underrepresentation of diverse entrepreneurs in Albuquerque. EmprendeLatino established an Albuquerque-based intensive 3-month cohort-based accelerator program focused on providing technology-based startup businesses founded by underrepresented entrepreneurs with the knowledge, skills, tools, connections, mentorship and seed funding to successfully launch businesses that will grow rapidly.

The review focused on reviewing information to determine if the Scope of Services detailed in the contract were met by EmprendeLatino. The methodology consisted of reviewing relevant documents and communication with EDD and EmprendeLatino staff. The following activities were conducted as part of the review process:

- Review Statement of Work (SOW) documentation provided by EmprendeLatino;
- Review Four Invoices from Emprende Latino to the COA;
- Web Search and Social Media;
- Review of social media and websites.

Verifying compliance is key for ensuring a contractor fulfills the terms of a contract. EmprendeLatino's contract with EDD was from June 2019 through December 2019 for the inaugural cohort. Based on information received and reviewed from EDD, EmprendeLatino and information gathered, it appears that EmprendeLatino met the Scope of Services as required by the contract. Although the Scope of Services was met, the program was not fully successful as 62.5% of the original cohorts did not complete all the expectations.

Recommendation

The COA should not contract with EmprendeLatino for this service until the program has been carefully evaluated and appropriate changes initiated to ensure a higher success rate.

The Economic Development Department Director, or designee, should monitor classes to ensure deliverables were met and the program was successful.

Participants in this program must currently operate or intend to operate a business within the City of Albuquerque.

Introduction

The Office of Inspector General (OIG) for the City of Albuquerque (COA) received a request to conduct a performance review of a contract the Economic Development Department (EDD) had established with EmprndeLatino, LLC to support entrepreneurs in the Hispanic community. The organization had undergone a significant change in staffing and the requestor wanted to ensure that there were no performance problems as a result.

Scope

The OIG's review focused on the contract between the COA and EmprndeLatino to determine if the Scope of Services were met. The scope consists of the following:

- Review of pertinent documents;
- Review of EmprndeLatino website and related social media sites;
- Interviews of relevant City employees; and
- Interviews of relevant contractors.
- Interviews of participants in program

Background

EmprndeLatino has established an Albuquerque-based intensive 3-month cohort-based accelerator program focused on providing technology-based startup businesses founded by underrepresented entrepreneurs with the knowledge, skills, tools, connections, mentorship and seed funding to successfully launch businesses that will grow rapidly. EDD entered into a contract with EmprndeLatino on June 12, 2019 for these services.

Information taken from EmprndeLatino's website states:

<https://www.emprndelatino.co/>

EmprndeLatino is a first of its kind accelerator created by Perpetua Partners, the premier global venture capital firm investing exclusively in Latinx technology startups. EmprndeLatino is the first investment fund-backed tech accelerator committed to developing the next generation of tech entrepreneurs led by the fastest-growing and most entrepreneurial demographic in the US – Latinx and Hispanics. Over the next five years, EmprndeLatino will graduate up to 200 companies, creating up to 2,000 jobs with an average salary per tech worker of \$98,000. Perpetua Partners will invest \$20 million dollars into EmprndeLatino graduates over the next five years.

Perpetua Partners is the premier venture capital firm investing exclusively–Latinx and Hispanic-led tech startups. With over 80+ years of combined industry experience, partners of Perpetua Partners have launched 16 startups, raised ~\$3 million for owned companies and invested a total of \$159 million in 34 companies with 19 exits to date. Perpetua Partners understands the need for instructor and mentor-led curriculum targeting the Latinx/Hispanic community,

combined with the capital needed for the startups to scale. EmprendeLatino is a key component of the investment thesis of Perpetua Partners.

EmprendeLatino is an experienced group of entrepreneurs and investors cultivating, connecting and committing capital into the most promising startups led by Latinx founders.

In September 2019, the inaugural EmprendeLatino cohort launched in Albuquerque, NM. It will be the first of four accelerator programs set to open across the U.S.

10 startup teams will embark on a three-month journey of rapid innovation, iteration and validation to emerge as strong, scalable and funded companies.

According to EmprendeLatino's website, the program offers:

CAPITAL

Each graduating company will receive a \$100K investment from Perpetua Partners, the premier VC fund investing exclusively in Latinx-led tech startups.

CURRICULUM

We combine classroom instruction, exclusive events and creative experiential learning to build successful, scalable companies.

CONNECTIONS

The power of the Perpetua network connects the startups we invest in with the right people, whether it be new customers or funding opportunities.

COACHING

Our rockstar mentors and instructors are domain experts and experienced founders ready to guide, push and empower our teams at every step.

COMMUNITY

Co-working at our Downtown Albuquerque HQ, facilitating strategic partnerships and curated programming ensure that every team emerges with deep relationships across a meaningful network.

CULTURE

EmprendeLatino is the only tech accelerator program created for Latinx entrepreneurs by Latinx entrepreneurs.

“When a group of people get together, it's collective power.”

You can live anywhere to apply! Just be willing to live in New Mexico for the program. The interactive nature of our program and the importance of building a close community requires that the two co-founders attend each session, in person. While we do not require that you or your company stay in New Mexico after the program, we will happily connect you to the resources that you need in order to do so. It is truly an amazing place to launch a tech startup and we hope that if do live elsewhere, you might decide on a new home!

We require that at least one of the co-founders attending identifies as Latinx with at least 51% of the company owned by a person who identifies as Latinx.

Teams hail from Spain, Chile, Arizona, Pennsylvania, and Albuquerque.

Initial Meeting

A meeting was held at the office of Economic Development Department (EDD) on February 24, 2020. The purpose of the meeting was to discuss the Scope of Service of the contract with EmprendeLatino LLC and EDD.

The OIG stated the purpose of the meeting was to verify that all deliverables of the contract were met. Prior to the meeting, the OIG provided the Director of EDD, Synthia Jaramillo and EmprendeLatino's representative, Steven Lucero with Scope of Service. Mr. Lucero discussed some areas of the contract and was asked to provide verification that the deliverables were met. Ms. Jaramillo provided the memo of services phase and planning for payment that was included with the four invoices EmprendeLatino submitted for payment.

Review of Contract, Scope of Services

The OIG reviewed the following:

- Statement of Work (SOW) documentation provided by EmprendeLatino;
- Four Invoices from Emprende Latino to the City;
- Web Search and Social Media; and
- Review of social media and websites to include:
 - City Serves as Anchor Partner to Launch Latinx Tech Accelerator Program - September 6th, 2019 - <https://www.youtube.com/watch?v=9NZvqqj910Q>
 - <https://www.f6s.com/emprendelatino1/>
 - <https://www.eventbrite.com/o/the-first-vc-backed-tech-accelerator-investing-100k-in-latinx-led-startups-23374469902>

Contract

This agreement is made and entered into this 12th day of June 2019, by and between the City of Albuquerque, New Mexico, a municipal corporation (hereinafter referred to as the "City"), and EmprendeLatino LLC, 500 Marquette Suite 1278, Albuquerque, NM 87102. The final invoice from EmprendeLatino was received in December, 2019.

1. Scope of Services. The Contractor shall perform the following services (hereinafter referred to as the 'Services') in a satisfactory and proper manner, as determined by the City:

1A. Definitions

- (1) Startup accelerator: a fixed term, cohort-based program that includes seed investment, education, mentorship and connections designed to facilitate rapid growth.
- (2) EmprndeLatino: a technology startup accelerator based in Albuquerque, NM specifically designed and built to address the needs of an underserved population of entrepreneurs.

1B. Contractor shall provide the following services to the City.

(For further information see Exhibit 1)

I (Supplement Agreement) Work to the best ability to recruit quality accelerator applicants and evaluate these applicants through a comprehensive application process to choose up to ten participants teams for the inaugural cohort.

II (Supplement Agreement) Plan the 12-week accelerator program, in partnership with the Albuquerque Hispano Chamber of Commerce and Cultivating Coders. Each 12-week session of the program will service up to twenty companies after the inaugural cohort, as well as programmatic events of value to Albuquerque reaching up to 200 people in attendance, including but not limited to collaborations with partner organizations that expand on the breadth of audience and programming.

III (Supplement Agreement) Work with the Office of Economic Development Department's Public Information Officer to plan marketing and press support for program and events.

1C. Topics of the accelerator's proprietary curriculum and programmatic events will include:

1. Building technology products using the Lean Startup methodology.
 - a. Understanding how to implement hypothesis-driven experimentation
 - b. The Customer Development process to identify customers
 - c. Validated learning models using continuous measurements to effective date-driven decisions
 - d. Accelerated development of "Minimum Viable Product" to rapidly test and revise products
 - e. Understanding how and when to change business strategy effectively ("pivot")
2. Cultivating valuable relationships amongst the startups and a selective group of highly qualified mentors with deep industry expertise.
3. Confronting issues face specifically by Hispanic/Latino and other underserved entrepreneurs.
4. Providing relatable role models from diverse backgrounds.

5. Building the leadership skills necessary to successfully launch a technology startup through educational activity and coaching specifically designed for entrepreneurs of color.
6. Determining and reaching the right markets and customers.
7. Creating and cultivating the connections and networks necessary for a technology startup.
 - a. Securing Funding for rapidly-growing technology startups.

1D. Recruiting Participants

1. Contractor will market the workshops to potential participants via relevant distribution channels (email, social media, etc.).
2. Contractor will recruit participants from the underserved Hispanic/Latino and other minority populations who are faced with challenges in starting and growing new technology businesses due to lack of knowledge, skills, and the connections necessary.

1E. Contractor will provide end of workshop status report on attendees (“Report”)

1F. Contractor will provide marketing and press support for workshops as requested by the City.

1G. Contractor will provide relevant support as requested by the City.

1H. The services will be performed, and Deliverables created in accordance with the timeline specified below:

- i. May 2019 Organize accelerator logistics
- ii. June 2019 Marketing and participant recruitment

1I. Accelerator Schedule:

(a) June 2019 announcement of application for participants of Cohort 1

(b) (Supplement Agreement) Accelerator and Programmatic Preparation June 2019 – July 2019.

- i. **(a)** Informational sessions for prospective applicants (virtual as well as in-person)
- ii. **(b)** Launch preview event

(c) October 2019: Conclusion of program Cohort 1

- i. The program will culminate in presenting the successful graduate companies to a curated group of select investors, stakeholders and connections, and then to the

broader community through a celebration event.

(d) (Supplement Agreement) Accelerator Graduation and Demo-Day November 2019:
Conclusion of program Cohort 1

D. Reporting and Recruiting:

1. (Supplement Agreement) Time of Performance, Services of the contractor shall commence on the date of final execution, and shall be undertaken and completed in such a sequence as to assure their expeditious completion in light of the purposes of the Agreement, provided, however, that in any event, all of the services required hereunder shall be completed by December 31, 2019.

2. Recruiting for program. Contractor will determine program participants using a comprehensive, data-driven evaluation process to ensure fair and optimized selection of the best possible candidates. Contractor will conduct reviews, comprehensive evaluations and administer surveys including but not limited to anonymous participant evaluations, throughout the program that will provide data used to measure and improve the program and assess for all participants, ensuring that the program add maximum value to all involved, including mentor, instructors and community volunteers. Monitoring and data collection will continue on all participating businesses after the Program as part of a comprehensive portfolio management strategy using capital best practices.

3. Compensation and method of payment:

A. Compensation. For performing the Services specified in Section 1 hereof, the City agrees to pay contractor up to Seventy-Five Thousand and No/100 Dollars (\$75,000), which includes any applicable gross receipts taxes and which amount shall constitute full and complete compensation for the Contract's Services under this Agreement, including full and complete compensation for the Contractors Services under this Agreement, including all expenditures made and expenses incurred by the Contractor in performing the Services.

B. Method of Payment. Such amount shall be in three (3) payments of up to Twenty-Five and No/00 thousand each, upon completion of each of the services IA, IB, and IC) and upon receipt by the City of properly documented invoices for payment as determined by the budgetary and fiscal guidelines of the City and on the condition that the Contractor has accomplished the Services to the Satisfaction of the City. Contractor shall submit report and back up documentation for services performed with each invoice.

EmprendeLatino was paid in 4 equal payments of \$18,750 totaling \$75,000. The EDD Director stated the contractor felt it would be easier to divide the payment plan into four equal payments based on the deliverables needed and EDD agreed to the change.

The EDD Director stated that she and the Executive Assistant served as the contract administrators, together they reviewed reports to ensure deliverables were met prior to approving invoices. The EDD Director signed off and then payments were made. They followed EDD's normal process which she stated in most cases is an ongoing conversation with the contractor and several check-ins to ensure both parties are successful and deliverables are being met.

The EDD Director was asked if EDD monitored any sessions. She stated, no we did not monitor the sessions but were invited to drop in on class on several occasions and asked to speak. I spoke, attended their kick-off, demo day events and a few receptions. It is not a common practice for EDD to monitor any of the accelerator, incubator or training classes we contract or support.

After review of the Scope of Services with the information provided the OIG had follow-up questions for Steven Lucero of EmprndeLatino. The follow-up questions and EmprndeLatino's response is below:

You stated that six participants graduated and three were finalizing deliverables. Did the three graduate? How many companies received the \$100,000 investment?

As per the SOW, EmprndeLatino's requirement pursuant to capital raise was:

"VII. Creating and cultivating the connections and networks necessary for a technology startup
a. Securing funding for rapidly-growing technology startups"

As part of the program, an entire module was dedicated to capital raise:

MODULE FIVE: CAPITAL RAISE

Activity

- A. Create and a Cap Table
- B. Determine a funding strategy for your business
- C. Determine what types of capital to raise - Capital Stack
- D. Determine how much money to raise and when
- E. Determine which types of investors to target and when
- F. Determine a viable Exit Strategy
- G. Build a pitch deck
- H. Prepare elevator pitch and formal investor pitch
- I. Prepare for the investor Due Diligence process

Additionally, the cohort was introduced to investors and pitched the VC firm Perpetua Partners. Of the eight (8) companies that attended, six (6) graduated. Of the six (6) graduates, one company immediately ceased business due to a falling out and breakup of the founders. Of the remaining five (5) companies, one rejected the convertible note and funding. Of the remaining four companies offered an investment, three were funded and the fourth was not able to accept a convertible note, as per the board of directors. Of three companies funded, Perpetua Partners, not EmprndeLatino made the investment. It is important to note, that as per the SOW and the Capital Raise module, seven (7) of the eight (8) companies raised capital between November 2019 and July 2020 and continue to do so.

Did the departure of the EmprndeLatino employee affect the outcome of the program?

Yes, the departure positively affected the program as I wrote a program and schedule over the weekend after the departure (with the help of a co-worker), enlisted instructors from Silicon Valley, LA, ABQ, Washington DC and Denver and cultivated all of the mentors.

Were you still able to provide the quality of training you and the City expected?

Can unequivocally state that we exceeded the quality and measurable metrics of "training" both we and the City expected.

Did you take attendance of the teams attending sessions?

No, attendance was not taken. There were occasions when teams or a member of the team had to travel and miss a session. There were less than two teams absent for each instructor session. He stated he knew this due to being there every day taking the place of the departed employee.

Team Responses to Program Participation

The OIG sent emails to the teams that graduated requesting information on the program and if it met their expectations. Below are the responses from those that responded.

Team 1 (T1)

T1 was contacted and asked for feedback regarding their experience in EmprendeLatino's Accelerator program.

T1 stated that they have been trying to get a startup going over the past four years. They wanted to do an accelerator program to get the company moving. One of their mentors had told them about the program. T1 stated in their experience, they walked away from the accelerator very tired and exhausted. They learned so much. During the course of the program they had done over 80 interviews, they were walked through the process on how to conduct interviews. From their perspective, they received a "really awesome experience". They got a lot out of the program and put in a lot of work. They walked away knowing what to do with their company. The company would not be where it is at right now without the EmprendeLatino program. They got to meet people that have helped him with their venture.

Team 2 (T2)

T2 was contacted and asked for feedback regarding their experience in EmprendeLatino's Accelerator program.

T2 stated the EmprendeLatino was the "worst waste of time and money we've ever experienced. T2 felt like the company was taken advantage of by people who have no clue for what they were doing."

T2 was asked if the team graduated and if they were offered the seed funding. T2 stated that they were initially told that they had not graduated. A month later they submitted the changes they asked for and were told they had graduated, but they have not received a term sheet or any form of documentation that shows any type of commitment.

Team 3 (T3)

T3 was contacted and asked for feedback regarding their experience in EmprendeLatino's Accelerator program.

T3 stated that EmprendeLatino program did not meet his expectations. T3 thought it was a waste of their company's resources. T3 stated the program was more for beginners, what starting a company is like and what has to be done. T3 stated that the mentor meetings were okay, but they did not come for meetings, they came to get support with their business to traffic potential market barriers, see if they could get clients, investors and partners. None of that was fulfilled. T3 stated there were a few sessions that were useful.

T3 stated that there was also some drama (departure of EmprendeLatino employee) that made the news and that they received a call from the media regarding it. That kind of media is not good for investors to hear. They were very disappointed.

T3 was asked if the team graduated and if they were offered seed funding. T3 stated that they did graduate, but they did not proceed with any formalities. T3 stated the seed funding was offered, but that there were too many stipulations. T3 said personally with all the drama, they did not want to take the seed funding.

Team 4 (T4)

T4 was contacted and asked for feedback regarding their experience in EmprendeLatino's Accelerator Program.

T4 stated that the program met their expectations. EmprendeLatino did provide mentors that helped during the program. It was their first accelerator program.

T4 was asked if the team graduated and if they were offered a seed funding. T4 stated that they did graduate and were offered seed funding which they accepted.

T4 stated that it was EmprendeLatino's first program, things were not perfect, there was an issue with a staff member that caused disruption. The OIG asked if the employee's departure affected the program. T4 stated there was an improvement when the employee left.

T4 stated the program leaned towards beginning entrepreneur's vs someone who was already established. There were teams that were more established according to T4.

Team 5 (T5)

T5 was contacted and asked for feedback regarding their experience in EmprendeLatino's Accelerator Program.

Regarding the 12-week accelerator program, T5 stated that they were treated well, besides the airfare, EmprendeLatino took care of lodging, almost everything was covered. The program had good mentors and workshops. The Mentors explained how to build a company, how to talk to investors, how to build a pitch deck and market fit. It was decent for the first program offered.

T5 had heard that the COA gave \$ 75,000 to run the program, that was good and they used the money for the program.

T5 was asked if the team graduated and if they were offered a seed funding. T5 stated that they did graduate, but due to internal issue with the team they did not get the seed money.

EDD Review

The OIG sent the Scope of Services review to the EDD Director for review. The EDD Director agreed with the referencing and stated that she believes EmprendeLatino fulfilled their contract.

Conclusion

Verifying contractual compliance is key for ensuring a contractor fulfills the terms of a contract. EmprendeLatino's contract with EDD was from June 2019 through December 2019 for the inaugural cohort. Based on information received from EDD, EmprendeLatino and information gathered, it appears that EmprendeLatino met the Scope of Services as required by the contract. Although the Scope of Services was met, the program was not fully successful as 62.5% of the original cohorts did not complete all the expectations of the program.

Recommendation

The COA should not contract with EmprendeLatino for this service until the program has been carefully evaluated and appropriate changes initiated to ensure a higher success rate.

The Economic Development Department Director, or designee, should monitor classes to ensure deliverables were met and the program was successful.

Participants in this program must currently operate or intend to operate a business within the City of Albuquerque.

EDD Director Response

I agree, verifying contractual compliance is key for ensuring a contractor fulfills the terms of a contract. Success of a program that is being paid for with tax payer dollars, is always the department's number one priority. I further agree that based on reports received and verified, EmprendeLatino did indeed meet the scope of services as required by the contract and while it is disappointing that not all of the inaugural cohort completed the program, this is not un-common with these types of time intensive accelerator programs.

Further, EDD does not plan to contract with EmprendeLatino but wishes the program future success.

EXHIBIT 1

The OIG reviewed each area or item in Scope of Services in the contract and have referenced supporting documentation for each based on information gathered. The references are in [blue](#).

Contract

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1. Scope of Services. The Contractor shall perform the following services (hereinafter referred to as the ‘Services’) in a satisfactory and proper manner, as determined by the City:

1A. Definitions

(1) Startup accelerator: a fixed term, cohort-based program that includes seed investment, education, mentorship and connections designed to facilitate rapid growth.

2) EmpredeLatino: a technology startup accelerator based in Albuquerque, NM specifically designed and built to address the needs of an underserved population of entrepreneurs.

1B. Contractor shall provide the following services to the City.

1B-I (Supplement Agreement) Work to the best ability to recruit quality accelerator applicants and evaluate these applicants through a comprehensive application process to choose up to ten participants teams for the inaugural cohort.

- [GUST accelerator platform](#)

According to the website: [Gust is the global Software as a Service \(SaaS\) platform for founding, operating, and investing in scalable, high-growth companies. Gust's online tools help entrepreneurs start, run, and fundraise for companies and provide deal flow and relationship management for investors. As the world's largest community of entrepreneurs and early-stage investors from 192 countries, Gust pioneered the equity funding collaboration industry and is the official platform of the world's leading angel investor federations and venture accelerators. More than 850,000 startups have already used Gust to connect with over 85,000 investment professionals. \(<https://gust.com/about>\)](#)

- SOW B-1 – Recruit applicants

- Final Participants – Nine participants qualified
- Gust Reports listed:
 - Finalists
 - Offer Letter
 - Rejected Applicants
 - Total Unfinished
- Participant Letter

- Access was given to review the Gust accelerator platform which contained applicants and offer letters. Each applicant had to answer several questions as well as a short introduction video on the applicants and a demo video of their product or service.
- Nine applicants were chosen with one being denied a Visa to enter the U.S. and could not participate.
- Each team was allowed two members to be present for participation in the program.

1B-II (Supplement Agreement) Plan the 12-week accelerator program, in partnership with the Albuquerque Hispano Chamber of Commerce and Cultivating Coders. Each 12-week session of the program will service up to twenty companies after the inaugural cohort, as well as programmatic events of value to Albuquerque reaching up to 200 people in attendance, including but not limited to collaborations with partner organizations that expand on the breadth of audience and programming.

- SOW B-II – Implement Accelerator Program
 - Cohort Program
 - Demo Day Invitation List
 - Program & Schedule Fall 2019
- The OIG asked for more information regarding the Demo Day Invitation List
 - EmprendeLatino provided an invitation list. Also stated was that this is not the total invitation list as Cultivating Coders and EmprendeLatino did a dual event; a Demo Day for EmprendeLatino and a Graduation Day for Cultivating Coders. We managed the invitations separately. For the same reason, we don't have a list of those that did attend, but the size of the audience was well over 200.

1-B-III (Supplement Agreement) Work with the Office of Economic Development Department's Public Information Officer to plan marketing and press support for program and events.

- Economic Developments Marketing Coordinator worked with EmprendeLatino.
 - COA News Release
- SOW B-V – Marketing and Press
 - Demo Day Invitation List
 - EmprendeLatino kickoff news release updated
 - EmprendeLatino Media Kit
 - UrbanGeeks Article

1C. Topics of the accelerator's proprietary curriculum and programmatic events will include:

- 1. Building technology products using the Lean Startup methodology including but not limited to:**

- SOW C-1 – Tech Product – Lean Startup Method
 - 10 Steps to Produce/Market Fit
 - Gokul Rajaram Presentation (Slides)
 - Seven Characteristics of Successful Product Introductions
 - Program & Schedule Fall 2019 – Week 7 Market Fit

2. Cultivating valuable relationships amongst the startups and a selective group of highly qualified mentors with deep industry expertise.

- SOW C-II - Relationships
 - Demo Day Program (10 Instructors, 8 Speakers and 8 Mentors)
 - Mentor Backgrounds.
 - Mentor 1 - Serial tech entrepreneur/business model
 - Mentor 2 - Serial Tech entrepreneur/ecommerce
 - Mentor 3 - CEO/Tech entrepreneur/data science
 - Mentor 4 - Serial entrepreneur/marketing/design
 - Mentor 5 - marketing/communications/project mgt
 - Mentor 6 - Serial entrepreneur/ecommerce/social media
 - Mentor 7 - entrepreneur/PR/Social media
 - Mentor 8 - Professor Engineering UNM

3. Confronting issues face specifically by Hispanic/Latino and other underserved entrepreneurs.

- **Provided by EDD:** An important contributor to economic inequality in the United States is the large and persistent racial and ethnic disparity found in business ownership and performance. Blocked opportunities for minorities to start and grow businesses create losses in economic efficiency, especially through their effects on limiting job creation, wealth accumulation, innovation, and local economic growth. This program confronted these issues for Hispanic/Latino and other underserved entrepreneurs by providing the opportunity to participate in the accelerator.

- **Provided by EmprndeLatino:**
The SOW required:

III. Confronting issues faced specifically by Hispanic/Latino and other underserved entrepreneurs

IV. Providing relatable role models from diverse backgrounds

V. Building the leadership skills necessary to successfully launch a technology startup through educational activity and coaching specifically designed for entrepreneurs of color

During the program, the companies were presented information, data, support and ideas that addressed the above requirements, in every module of the program. Specifically, the workshops highlighted in the attached program were especially important. In addition to teaching items that only Silicon Valley "knows" and is white male dominant, we made sure to have Hispanic instructors teach a workshop or masterclass; Hispanic Mentors. In all we addressed the SOW at every moment in the program, in multiple varied approaches, including events with the Albuquerque Hispano Chamber of Commerce and limited participation in the Annual United States Hispanic Chamber of Commerce conference, meeting several very successful business professionals, business owners, and entrepreneurs.

4. Providing relatable role models from diverse backgrounds.

- SOW C-II - Relationships
- Eight (8) mentors (List found on 1C 9)

5. Building the leadership skills necessary to successfully launch a technology startup through educational activity and coaching specifically designed for entrepreneurs of color.

- SOW C-V – Leadership-Launch-Educational-Coach
- Program and Schedule Fall 2019
 1. Module One: Minimum Viable Product
 2. Module Two: Product Market Fit
 3. Module Three: Product and Company Scale
 4. Module Four: Company Build
 5. Module Five: Capital Raise
- Modules are centered around three methods of instruction; MasterClass Session, Speaker Series and Workshops.

6. Determining and reaching the right markets and customers.

- SOW C-V – Leadership-Launch-Educational-Coach
 - Program and Schedule Fall 2019 - Module Two: Product Market Fit (October 7 through October 13)

7. Creating and cultivating the connections and networks necessary for a technology startup.

- SOW C-VII – Access to Funding
 - Program and Schedule Fall 2019 - Module Two: Produce Market Fit (October 7 through October 13)
 - Public Speaking Crash Course
 - Sample of Company Deliverables

a. Securing Funding for rapidly-growing technology startups.

- SOW C-VII – Access to Funding
 - Program and Schedule Fall 2019 - Module Five: Week 9 Capital Raise
 - A. Create and a Cap Table
 - B. Determine a funding strategy for your business
 - C. Determine what types of capital to raise - Capital Stack
 - D. Determine how much money to raise and when
 - E. Determine which types of investors to target and when
 - F. Determine a viable Exit Strategy
 - G. Build a pitch deck
 - H. Prepare elevator pitch and formal investor pitch
 - I. Prepare for the investor Due Diligence process
 - Public Speaking Crash Course

- **1D. Recruiting Participants**

1. Contractor will market workshops to potential participants via relevant distribution channels (email, social media, etc.)

- SOW B-V – Marketing and Press
 - EmpreneLatino kickoff news release updated
 - EmpreneLatino Media Kit
 - UrbanGeeks Article
- First Invoice
 - <https://emprendelatino.eventbrite.com> Virtual information sessions.

2. Contractor will recruit participants underserved Hispanic/Latino and other minority populations who are faced with challenges in starting and growing new technology businesses due to lack of knowledge, skills and the connection necessary.

- SOW B-1 – Marketing and Press
 - GUST Reports - EmpreneLatino Applicants GUST Report – Offer Letter
 - Excel spreadsheet list questions and answers during application process. Also links to video where applicants introduce themselves.
 - GUST Reports - GUST Application Platform – <https://gust.com/programs/emprendelatino-fall-2019>

- YouTube: <https://www.youtube.com/watch?v=6znT2U6221o>
- Access was given to review the Gust accelerator platform which contained applicants and offer letters. Each applicant had to answer several questions as well as a short video on the applicants and a demo video.

1E. Contractor will provide end of workshop status report on attendees

- Fourth Invoice Report of Services
- SOW CABQ Contract Report

1F. Contractor will provide marketing and press support for workshops as requested by the City.

- First Invoice
 - <https://emprendelatino.eventbrite.com> Virtual information sessions.
- YouTube: <https://www.youtube.com/watch?v=6znT2U6221o>

1G. Contractor will provide relevant support as requested by the City.

- Invoices provided to Economic Development had detailed information of services provided during time period.

1H. Service will be performed, and Deliverables created in accordance with timeline specified below:

May 2019 Organize accelerator logistics
 June 2019 Marketing and participant recruitment

- Invoices provided to Economic Development have detailed information of services provided during that time period.

1I. Accelerator Schedule:

(a) June 2019 announcement of application for participants of Cohort 1

- <https://gust.com/programs/emprendelatino-fall-2019/startups/new>
- YouTube: <https://www.youtube.com/watch?v=6znT2U6221o>

(b) (Supplement Agreement) Accelerator and Programmatic Preparation June 2019 – July 2019.

(a) Informational sessions for prospective applicants (virtual as well as in-person)

(b) Launch preview event

- <https://emprendelatino.eventbrite.com>

- SOW B-5 – Media kit, Emprende Latino kickoff news release.
- Invoice two:
 - Hosted 5 virtual sessions with 29 participants.
 - Discussion with 7 participants who requested a follow-up call
 - Hosted a live session at the Hispano Chamber with 17 participants
 - Additionally, host call with key recruitment marketing partners across target regions states.

(c) October 2019 conclusion of program

i. The program will culminate in presenting the successful graduate companies to a curated group of select investors, stakeholders and connections, and then to the broader community through a celebration event.

- Invoices provided to Economic Development had detailed information of services provided during that time period.
 - The integration of the Cultivation Coders Adult Bootcamp (CCABC) and EL Cohort 1 was intended to create opportunities for young capable but inexperienced software developers to potentially work with or ultimately work for a tech startup company that also required developers. In total there were three partnerships realized with the CCABC and EL Cohort 1 programs.

(d) (Supplement Agreement) Accelerator Graduation and Demo-Day November 2019: Conclusion of program Cohort 1

- Program and Services Report to OIG - November 22, 2019 – Explora Science Museum, 8 EL Cohort 1 companies and 5 Cultivating Coders Adult Bootcamp (CCABC) Coding teams held a combined Demo Day. The EL Cohort 1 demonstrations were 3-5 minute “elevator” pitches, as required by the program graduation criteria, and the CCABC demonstrations were 5-10 minute presentations of the products that were developed by the teams during their 12-week program.

D. Reporting and Recruiting:

1. (Supplement Agreement) Time of Performance, Services of the contractor shall commence on the date of final execution, and shall be undertaken and completed in such a sequence as to assure their expeditious completion in light of the purposes of the Agreement, provided, however, that in any event, all of the services required hereunder shall be completed by December 31, 2019.

- Program and Services Report to OIG - November 22, 2019 – Explora Science Museum, 8 EL Cohort 1 companies and 5 CCABC Coding teams held a combined Demo Day.
- Invoice 4 - Services completed by deadline.

2. Recruiting for program. Contractor will determine program participants using a comprehensive, data-driven evaluation process to ensure fair and optimized selection of the best possible candidates. Contractor will conduct reviews, comprehensive evaluations and administer surveys including but not limited to anonymous participant evaluations, thought out the program that will provide data used to measure and improve the program and cusses for all participants, ensuring that the program add maximum value to all involved, including mentor, instructors and community volunteers. Monitoring and data collection will continue on all participating businesses after the Program as part of a comprehensive portfolio management strategy using capital best practices.

- SOW B – 1: GUST Reports (Excel files)
- Access was given to review the Gust accelerator platform which contained applicants and offer letters. Each applicant had to answer several questions as well as a short video on the applicants and a demo video.
- Hosted five virtual sessions with 29 participants.
- Hosted live info session at the Hispano Chamber with 17 participants.
- Hosted calls with key recruitment marketing partners across target region states, resulting in connections an several recruits and one application.

3. Compensation and method of payment:

A. Compensation. For performing the Services specified in Section 1 hereof, the City agrees to pay contractor up to Seventy-Five Thousand and No/100 Dollars (\$75,000), which includes any applicable gross receipts taxes and which amount shall constitute full and complete compensation for the Contract’s Services under this Agreement, including full and complete compensation for the Contractors Services under this Agreement, including all expenditures made and expenses incurred by the Contractor in performing the Services.

B. Method of Payment. Such amount shall be in three (3) payments of up to Twenty-Five and No/00 thousand each, upon completion of each of the services IA, IB, and IC) and upon receipt by the City of properly documented invoices for payment as determined by the budgetary and fiscal guidelines of the City and on the condition that the Contractor has accomplished the Services to the Satisfaction of the City. Contractor shall submit report and back up documentation for services performed with each invoice.

- EmprndeLatino was paid in 4 equal payments of \$18,750 totaling \$75,000.
- The EDD Director stated the contractor felt it would be easier to divide the payment plan into four equal payments based on the deliverables needed and EDD agreed to the change.
- The EDD Director stated that she and the Executive Assistant served as the contract administrators, together they reviewed reports to ensure deliverables were met prior to approving invoices. The EDD Director signed off and then payments were made. They followed EDD’s normal process which the EDD Director stated in most cases is an

ongoing conversation with the contractor and several check-ins to ensure both parties are successful and deliverables are being met.

- The EDD Director was asked if EDD monitored any sessions. The EDD Director stated, no we did not monitor the sessions but were invited to drop in on class on several occasions and asked to speak. I spoke, attended their kick –off, demo day events and a few receptions. It is not a common practice for EDD to monitor any of the accelerator, incubator or training classes we contract or support.