



Ohio Third Frontier Incubation Program Calendar Year 2014

Bidders Conference Q&A

1. In section 2.4 Cost Share does not mention the use of in-kind as part of cost share. The Appendix C only lists cash cost share and no entry for In-kind. In-kind has been an integral part of many of our programs cost share. The question is, will In-kind match still be considered part of cash match or does future funding require cash only as a match?

The RFP requires cash match. For those using tenant rental income as part of the cash match, it is sufficient to provide a Letter of Commitment from the Lead Applicant, and not individual tenants.

2. In section 2.5 the last several sentences refer to reporting and separating ESP and Incubator activities. For the last 7 years the Edison programs have worked to provide integrated services between the incubators and the regional ESP programs. Many Incubator companies receive services and funding through the regional ESP programs. The ESP programs have gone through great lengths to properly document these overlaps of services as part of their reporting. Can you please further define the intention of the reporting requirement and address this requirement since metrics and reporting for the incubator programs have not been established under this new funding model.

The intention is to align the reporting with the ESP programs in order to provide a greater level of detail regarding individual company progress and enable consistency while avoiding duplication in metrics. If jobs and leverage are reported for a company under one Third Frontier program, those same jobs and leverage should not also be reported under a different Third Frontier program as this could create issues with overall impacts. There may be multiple paths to assigning attribution, and Development is open to suggestions from each incubator depending on the incubator's individual situation.

3. In Section 3.3.5.1 the second paragraph discusses assisting companies in accessing capital and asks the applicant to *"List and describe the primary sources of follow-on capital that the Lead Applicant directly made possible. Specify these occurrences by company and professional investment."* Can you please clarify what information you are looking to obtain?. Most incubators work through a network of capital access that is part of the regional programs established through many of the ESP programs. Current incubators are asking if you are looking for VC groups that work specifically with the incubator. Is this meant to include private investments the incubator may have helped a

company obtain (which may include requests for confidentiality)? Are you looking for capital programs run by the incubator itself which could be grant, equity or debt capital? The group is a little confused what ODSA is trying to determine?

Development is looking for sources of third-party, professional investment capital where the Lead Applicant was directly impactful in making these investments possible. In terms of confidentiality, the Lead Applicant may use "Trade Secret" designation for company names and the corresponding professional investment groups and amounts. Individual professional investors (e.g. individual angels) do not need to be listed by name.

4. Under Option 2 funding can you better define what types of company funding will be allowed? Specifically can the funds be used strictly as a grant or can it be equity funding, debt funding and can we structure the funding under the program to require cash (or possibly in-kind) match, to obtain funding?

The Option 2 funding mechanism (grant, equity, debt) and whether to require match from companies is at the discretion of the Lead Applicant. Please make sure to clearly describe the proposed funding structure under Section 3.3.5.8 – Strategy for Technology Tenant Client Awards.

5. Under Option 2, use of funds for tenant companies does not allow funds to be used for personnel. Does this include new hires, such as a sales or marketing professional? Can funds be used for contracted CEO or contracted CFO or accountant?

The intended use of funds includes purchased services, supplies and equipment needed to meaningfully accelerate a company's growth and achieve defined goals and milestones over a period of up to one year. Examples of activities include market research, validation, testing, etc. In addition, Development will allow funds to be used for new hires who do not own equity in the company. This does not include existing or contract personnel costs.

6. Will SBIR contracts be viewed positively as a source of capital?

SBIR contracts are viewed positively as an indicator of company progress, but the primary considerations are outcomes such as professional investment capital and product sales.

7. a) Can renovations/facilities improvements be used as part of the cost share? **Yes.**
b) Can equipment purchases be used as part of the cost share? **Yes.**
c) What information needs to go into LOI? **The Letter of Intent must include the following information: the prospective Lead Applicant's name, address, phone number, contact person, including e-mail address for the contact, estimated State Funds to be requested, intended use of grant funds, and a one (1) to two (2) page summary of the proposed Project.**
8. How does RFP account for the work that the incubator does with entrepreneurs outside the facility?

The Lead Applicant is welcome to continue working with off-site clients, but only Technology Tenant Clients are accounted for in the Incubation Program RFP.

9. Is there a numerical scoring system for evaluations?

The numerical scoring rubric is proprietary to the evaluators; however, all the evaluation criteria are listed in the RFP.

10. Can you better define documentation needed – Letter of Commitment – what level?

There is no minimum Cost Share threshold for Letters of Commitment. In the cases where the funding cycles of cost share providers may be misaligned from the Incubation Program cycle (example, based on a Fiscal Year instead of Calendar Year) and the Lead Applicant has received such funding consistently over several years, the Lead Applicant may indicate to Development why there may be a delay in the full cash Cost Share commitment.