



**Development
Services Agency**



Third Frontier
Innovation Creating Opportunity

John R. Kasich, Governor

David Goodman, Director

Ohio Third Frontier Innovation Platform Program

Calendar Year 2014 Request for Proposals (RFP)

- RFP Released – January 27, 2014
- Letters of Intent due by 12:00 Noon – March 14, 2014
- Bidder's Conference – TBD
- Written Questions – through May 12, 2014
- Proposals due by 2:00 PM – May 19, 2014
- Review and Award approximately – Late Summer 2014

RFP Administered by:
The Ohio Development Services Agency
Office of Technology Investments
77 South High Street, 28th Floor
Columbus, OH 43215

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Ohio Third Frontier Innovation Platform Program

Calendar Year 2014 Request for Proposals (RFP)

1 Ohio Third Frontier Statement of Solicitation

1.1 Background

The Ohio Third Frontier represents an unprecedented and bipartisan commitment to expand Ohio's technological strengths and promote commercialization that leads to economic prosperity throughout Ohio. Designed to support world-class, commercializable research programs, nurture early-stage companies and foster technology development that makes existing industries more productive, the Ohio Third Frontier creates opportunity through innovation. In targeted areas of technology, the multi-year State of Ohio initiative supported with more than \$2 billion is catalyzing the growth of existing and emerging industry clusters throughout the state by:

- Improving the capacity of Ohio's entrepreneurial ecosystem to deliver services and attract capital necessary to create and grow scalable technology-based enterprises;
- Increasing the technical capabilities and business competencies of Ohio value chains within key existing and emerging driver industries and pursue targeted attraction to fill gaps; and
- Cultivating a highly collaborative and innovative environment that encourages Ohio's community of technology seekers and solvers to regularly exchange new knowledge in pursuit of targeted market driven commercial opportunities.

For more information about Ohio Third Frontier, please see http://development.ohio.gov/bs_thirdfrontier/default.htm.

Consistent with the strategic goals, Ohio Third Frontier investments represent a balanced portfolio of programming that proactively identifies opportunities throughout the Technology Commercialization Framework (Framework). As a result, all Ohio Third Frontier Programs share a common goal — to promote technology-based economic development within Ohio by funding activities that move technology from idea to market. This goal requires the state to design programs, evaluate proposals and projects, leverage resources and provide management oversight within the context of the Framework. It is expected that every proposal seeking Ohio Third Frontier funding will clearly demonstrate its understanding of the Framework, and will be able to articulate its scope of work within the Framework's model.

For more information about the guiding principles contained within the Framework, please see <http://development.ohio.gov/files/otf/TechCommFramework-Complete.pdf>.

1.2 Request for Proposals Issuance

This Request for Proposals (RFP) is being issued for Funds to be awarded under Ohio Third Frontier. This RFP will be released by publication on the Ohio Third Frontier website at http://development.ohio.gov/bs_thirdfrontier/ipp.htm.

The Ohio Third Frontier Commission reserves the right to fund any Proposal in full or in part, to request additional information to assist in the review process, to reject any or all proposals responding to this RFP and to re-issue the RFP and accept new proposals if the Ohio Third Frontier Commission determines that doing so is in the best interests of the State of Ohio. Issuing this RFP does not bind the State to make an award of Ohio Third Frontier Funds. Any award of Ohio Third Frontier Funds in respect to this RFP will be subject to availability of funds as provided in Ohio Revised Code Section 126.07. This RFP is not a contract or commitment of any kind on behalf of the Ohio Development Services Agency (Development).

Development administers this RFP and reserves the right to adjust the dates for this RFP for whatever reason it deems appropriate. Development's Office of Technology Investments will administer all Funds awarded under this RFP.

1.3 The RFP Process and Awards Process

The RFP process will consist of the following steps in the listed order:

- Release of RFP
- Letter of Intent (**Required**) – **A Proposal will not be accepted unless a Letter of Intent for such Proposal has been submitted by the deadline**
- Bidder's Conference (**Required**) – **A Proposal will not be accepted unless the platform director from the submitted Letter of Intent attends the Bidder's Conference**
- Questions and Answers (Q&A) and Communications
- Submittal of Proposals

Each of these steps is discussed in [Appendix A – RFP Process, Awards Process and Mandatory Compliance](#).

The Awards Process will consist of the following steps:

- Proposal Review and Evaluation Procedures
- Award Decision
- Award and Agreement Preparation and Execution

Each of these steps is discussed in [Appendix A – RFP Process, Awards Process and Mandatory Compliance](#).

All questions regarding this RFP must be submitted in writing via e-mail to IPP@development.ohio.gov with a subject line of "Innovation Platform Program Q&A". Lead Applicants, Clients and/or others acting on their behalf are to be aware of all prohibited contact in Section IV of [Appendix A – RFP Process, Awards Process and Mandatory Compliance](#). If a Lead Applicant, Client and/or others acting on their behalf makes prohibited contact,

Development in its discretion may subject the Proposal to elimination from the RFP process.

2 Program Description

2.1 Purpose

Ohio's colleges and universities, as well as other research and development institutions in Ohio, represent tremendous assets to the State. Through the Ohio Third Frontier and other programs, many have developed unique research strengths and have established Innovation Platforms in particular technology areas that offer significant near-term promise to the State's most important industry sectors.

For the purposes of this RFP, an Innovation Platform is defined as an already existing capacity that incorporates unique technology capabilities and strengths, talent, equipment, facilities, engaged industry partners, a track record of research commercialization and innovation, intellectual property and other resources in a particular technology area that collectively can serve as a vehicle for significant, industry-defined and directed opportunities through the development and commercialization of new products and innovations. To be considered a Platform Technology, there must be multiple applications to commercial products that are capable of being developed by independent Ohio for-profit companies.

The purpose of the Innovation Platform Program is to link the development and innovation capabilities and capacities of an already established Innovation Platform and all its resources at an Ohio college or university or not-for-profit research institution to specific late stage development and innovation needs of Ohio companies. This linkage must in turn lead to job creation and business opportunities within Ohio through development and commercialization of product innovation, next generation products and new products that will have beneficial long-term economic impacts for Ohio.

2.2 Goal and Objectives

A major goal of the Ohio Third Frontier is to catalyze collaborations in technology commercialization, innovation and product development between the State's colleges and universities and Ohio industry. The Innovation Platform Program supports this goal by offering Grants to provide funding for operations, capital equipment and facility costs of existing Innovation Platforms that will benefit commercial purposes in the short-term and contribute to the sustainability and industrial relevance and use of the Innovation Platform in the long-term.

The specific goal of the Innovation Platform Program is to support commercial partnerships involving an Innovation Platform at a single Ohio college, university or other not-for-profit research institutions, and Ohio for-profit companies. Partnerships are to be formed to further the near-term (within 3 to 5 years of the start of the Project Period) commercialization of product innovation, next generation products and new products.

The objectives of the Innovation Platform Program are:

- To support existing Innovation Platforms at Ohio colleges, universities or not-for-profit research institutions that will serve specifically defined near-term commercialization objectives of 3 or more non-related Ohio for-profit companies;
- To support Innovation Platforms that will develop and launch new products, innovations or services into the commercial market within 3 to 5 years of the Project start date among all of those 3 or more non-related Ohio for-profit companies;
- To kick-start the long-term, sustained use of the Innovation Platform by multiple Ohio industry partners; and
- To support Innovation Platforms that will create wealth and employment opportunities within Ohio.

At the end of the Project Period, the commercialization projects included in an Innovation Platform Program Proposal must be mature enough to have completed commercial market entry. Hence, the Innovation Platform should already have well-established proof of principle, prototypes, business cases and industry engagement at the time of the Innovation Platform Program Proposal submittal. Another dimension of success is whether the Lead Applicant and Clients have a plan for sustainable programs that will use the Innovation Platform without further investment from Development or other Ohio Third Frontier aligned organizations.

2.3 Eligibility

2.3.1 Technology Subject Matter

Proposals must focus on commercialization opportunities capable of significant industry and economic impact. Innovation Platforms must be mission- or goal-oriented, with clearly defined endpoints and deliverables that create commercial advances. The Innovation Platform must realize near-term (within 3 to 5 years of the start of the Project Period) commercialization with the potential of on-going commercialization opportunities beyond the Project Period. Each Proposal must address at least one or a combination of the following technology areas:

- Advanced Materials related to advanced polymers, ceramics, composites, carbon fibers and nanotubes, and specialty metals and alloys
- Aeropropulsion Power Management
- Fuel Cells and Energy Storage
- Medical Technology related to imaging, surgical instruments/equipment, implant devices and regenerative medicine
- Software Applications for business and healthcare
- Sensing and Automation Technologies
- Situational Awareness and Surveillance Systems
- Solar Photovoltaics
- Agribusiness and Food Processing

- Shale

2.3.2 Lead Applicant

A Lead Applicant is the entity that submits a Proposal and will be legally and financially responsible for the administration of any resulting award of Ohio Third Frontier Funds. The Lead Applicant will be responsible for the administration of the Proposal should it be awarded. The Lead Applicant must also serve as administrative director of the Innovation Platform. The technical direction of the Innovation Platform is to be determined and controlled by the Ohio for-profit Client companies.

It is required that a super majority, or more, of Ohio Third Frontier Funds remain with the Lead Applicant to support the Innovation Platform's work for its Clients as well as on collaborative projects for the platform's Clients, the Ohio for-profit companies.

The Lead Applicant must either be an Ohio college or university or a non-profit public or private research organization in Ohio. An Ohio college or university is a state-supported or state-assisted institution of higher education in Ohio. A non-profit public or private research organization in Ohio is an organization having business lines that include research and development, that has a significant portion of their research and development activities in Ohio and that has its Principal Place of Business in Ohio.

A Principal Place of Business is a facility located in the State of Ohio where the Lead Applicant, who is registered with the Secretary of State to conduct business in Ohio, maintains physical operations managed by a senior representative of the Lead Applicant who is authorized to make decisions and to obligate the Lead Applicant and its resources. This facility must be owned by the Lead Applicant or be subject to a long-term lease. The facility must be a recipient or beneficiary of a significant amount of the Ohio Third Frontier Funds awarded to the Lead Applicant.

The Lead Applicant and Clients must demonstrate both the ability and experience in commercializing product innovation, next generation products and new products, and the scientific ability and experience to perform the work needed to produce evidence necessary to satisfy investors, regulators and the market.

Lead Applicants that become Grantees must maintain eligibility while the Grant is open. A Grantee that loses eligibility forfeits its award and may be required to repay the State of Ohio the full amount of the monies it has received, plus interest.

There is no limit to the number of Proposals that an eligible organization may submit under this RFP.

Innovation Platforms with current funding from the Innovation Platform Program are not eligible to apply for additional funding until their current grant obligations are fully met or unless they are now proposing that their Innovation Platform will serve additional Clients in a completely different application or

industry area and those Clients will be a substantially new and different set of Ohio for-profit companies from the current funding.

2.3.3 Clients and Committed End-Users

A Client is an Ohio for-profit company that is not an affiliate of the Lead Applicant is contributing cash Cost Share and will utilize the platform to develop and commercialize new product, new product innovations and next generation products.

Proposals must include Client service relationships with at least 3 unrelated Ohio for-profit companies. Three is an absolute minimum; strong proposals will have 4 or more Clients. All Clients must be represented by a lead individual and submit an itemized budget on Budget Form 2 (see [Appendix C – Application Forms and Budget Forms](#)). A Client must be designated on Budget Form 2 to contribute cash Cost Share.

The Clients must have the capability for commercializing any resulting product innovation, next generation products and new products and be committed to the long-term commercialization of the technology. A contribution of cash Cost Share resources by a Client is strong evidence of that commitment. Proposals must have a minimum of 50% of the cash Cost Share contributed by the Client Ohio for-profit companies. Strong Proposals will have a super majority of cash Cost Share contributed by the Client Ohio for-profit companies as evidence of their commitment to the value of the technology platform. Teams with strong commercialization structures are required. Any commercialization that results must benefit Ohio through investment, sales, job creation and/or business capitalization.

All Clients must submit a Letter of Commitment, as described in Section 3.3.12 of this RFP, signed by a representative authorized to commit the Client to the Proposal and any subsequent Award.

In addition, Proposals may also include one or more committed end-users. A committed end-user is a business or governmental entity that has a commercial interest in, and commits to commercial application of, the results of the Innovation Platform. A committed end-user may submit a letter consistent with the directions of Section 3.3.12. Committed end-users do not require designation on Budget Form 2.

2.4 Funding and Cost Share

Development anticipates awarding up to \$21 million in Grants through the CY14 Innovation Platform Program. Development anticipates awarding 7 to 10 Grants through the Innovation Platform Program, with each Grant in the range of \$1 million to \$3 million. It is required that a super majority, or more, of Ohio Third Frontier Funds remain with the Lead Applicant and that at least 50% of the cash Cost Share must be contributed by the Client for-profit Ohio companies. Grantees will be required to execute a grant agreement substantially in the form of the agreement included in [Appendix D](#).

Indirect costs may not exceed 20% of the total direct operating funds reflected in the Proposal budget. Indirect costs may not be applied to equipment, renovation or construction costs. Indirect Costs are costs incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project but nevertheless is necessary to the operation of the organization. These costs are also known as “Facilities & Administrative (F&A) costs”.

The monetary value of the cash Cost Share commitment must be at least \$1 for every \$1 of Ohio Third Frontier Funds requested (i.e., a ratio of 1:1), and must represent a specific new commitment to the Innovation Platform described in the Proposal. It will be the responsibility of the Lead Applicant to insure that the 1:1 cash Cost Share requirement is met or exceeded, and that all proposed cash Cost Share and reporting requirements are met. **Cash Cost Share proposed by the Lead Applicant and all Clients must be firmly committed, with no contingencies or conditions, from known sources and available to the Innovation Platform at the time of Proposal submittal.**

No portion of Ohio Third Frontier Funds may be used to provide bonuses, incentive compensation or rewards.

2.5 Term of Project

The Project is the plan of activity or activities that make up the total scope of work for which an award of Ohio Third Frontier Funds is requested and for which a Proposal is approved. The Project Period during which the active work funded by the Grant will take place shall be no more than 3 years. For an additional 2 years, annual reports detailing the overall status of commercialization and innovation activities and the economic impacts of the Innovation Platform will be required.

3 General Proposal Requirements

3.1 General Instructions

- Submit Letter of Intent using the form provided in Appendix B – Letter of Intent Form and receive a Letter of Intent ID Number from Development. The Letter of Intent may be posted to the Ohio Third Frontier website and cannot contain any trade secret information.
- Attend the Bidder’s Conference.
- Submit separate Proposals for each Innovation Platform.

Proposals must be submitted in the following manner:

- One original paper version marked as “Original,” one additional paper copy marked “Copy” and 2 CDs each containing a complete single, unlocked PDF file of the Proposal.
- Proposals must be received at the location specified below before the RFP closes. Proposals may not be submitted by fax or email.

Ohio Development Services Agency
Office of Technology Investments, Attention: IPP
77 South High Street, 28th Floor
Columbus, OH 43215

- Proposals are to be submitted on 8.5 x 11-inch paper.
- Margins must not be less than $\frac{3}{4}$ of an inch on all sides, with the exception of forms found in Appendix C – Application Forms and Budget Forms of this RFP.
- Font must be 11 point or larger with no more than 6 lines per inch.
- All pages must be numbered consecutively using the format “Page [#] of [total number of pages]” (e.g., Page 2 of 25).
- The Proposal title, Lead Applicant name and Letter of Intent number must appear at the bottom of each page.
- Proposals should not include color figures that cannot be understood when photocopied in black and white.
- The first page of the Proposal must be the Application Information Page.
- Do not include a cover or cover letter other than the Application Information Page.
- Proposals must be stapled once in the upper left hand corner and must not be bound.

3.2 Trade Secret Information

All Lead Applicants are strongly discouraged from including in a Proposal any information that the Lead Applicant considers to be a “trade secret,” as that term is defined in Section 1333.61(D) of the Ohio Revised Code. All information submitted in response to this RFP is public information unless a statutory exception exists that exempts it from public release under the Ohio Public Records Act in Section 149.43 of the Ohio Revised Code. If any information in the Proposal is to be treated as a trade secret, the Proposal must:

- Identify each and every occurrence of the information within the Proposal with an asterisk before and after each line containing trade secret information and underline the trade secret information itself.
- Check the “This Application Does include information considered a ‘trade secret’” box on the Applicant Information Page.
- Include a page immediately after the Application Information Page that lists each page in the Proposal that includes trade secret information and the number of occurrences of trade secret information on that page.

To determine what qualifies as trade secret information, refer to the definition of “trade secret” in the Ohio Revised Code at 1333.61(D), which is reproduced below for reference:

- (D) “Trade Secret” means information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, pattern, compilation, program, device, method, technique, or improvement, or any business information or plans, financial information, or listing of names, addresses, or telephone numbers, that satisfies both of the following:
- (1) It derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
 - (2) It is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Development requires non-disclosure agreements from all non-Development persons who may have access to Proposals containing trade secret information, including evaluators.

3.3 Order and Content of Proposal Sections

3.3.1 Application Information Page

The first page of the Proposal must be the completed Applicant Information Page found in Appendix C – Application Forms to this RFP.

3.3.2 Trade Secret Information

This section of the Proposal must disclose any trade secret information included in the Proposal. This page is only required and must be included if there is any information to be treated as a trade secret in the Proposal. Follow the instructions in Section 3.2 of this RFP.

3.3.3 Lead Applicant and Client Information

Complete and include the Lead Applicant Contact Information Page. One individual may serve in more than one capacity.

Complete and include the Client Information Form for each Client. Include the lead individual for each Client on this form. Additionally, for each Client organization, a Letter of Commitment must appear in an Appendix to the Proposal and Budget Form 2 must be included.

3.3.4 Abstract

Prepare an Abstract that summarizes the Innovation Platform and its expected commercial and technical outcomes. This section must minimize use of jargon and technical language and be written so that a non-technical person can understand it. This section will be used in public documents, including press releases, and must be understandable by the general public. **The Abstract may not contain any trade secret information.**

3.3.5 Table of Contents

Prepare a Table of Contents with detail for 2 levels of headings in the Proposal. This section should also include a list of Charts, Figures and Tables that appear in the Proposal with a page number for each.

3.3.6 Platform Information

In the order provided, this section of the Proposal's narrative must contain information that addresses the subject matter delineated below.

- **Platform Description.** Describe the technology platform referencing how the platform fits all the parameters of a platform technology as defined in Section 2.1 of this Request for Proposals. A platform technology will have multiple applications in different fields. Describe the multiple commercial applications that make this a platform technology.
- **Problem Statement.** Describe the technical and commercial challenges the Platform will address for the Ohio for-profit company Clients and why solutions to these challenges will increase the likelihood of successfully achieving commercialization and innovation goals and objectives. Evidence that the Lead Applicant understands the eventual customer and market needs, as well as performance requirements is required.
- **Project Goals and Objectives.** Clearly state the goals and objectives of the Innovation Platform. The goals should cover the Innovation Platform's near-term commercialization and innovation purposes that are driven by the Ohio for-profit company Clients. The objectives should be related to the commercialization, innovation and new product development activities that will be performed for each opportunity and how they are expected to provide the evidence and proof needed to carry the technology forward into market entry. The objectives should be expressed as Level A, Level B and Level C Metrics referenced in the Technology Commercialization Framework described in Section 1 of this RFP.
- **Technical Approach.** Discuss the overall activities that are proposed to meet the Innovation Platform's goals and objectives. Important research and development techniques, methods, facilities, and equipment to be used in the Innovation Platform should be discussed and compared to alternative approaches. The tasks should be described in terms of their specific objectives, approaches, resources and outcomes. The description of the specific tasks should be detailed enough so that the technical approach can be clearly evaluated as to whether there is a credible plan for moving the technology from the current stage of development to the next. The technical approach should also provide a clear indication of how progress will be made and measured, how risks or challenges will be overcome, and how it will generate the proof necessary to attract additional financial resources required to advance the technology toward successful commercialization.
- **Deliverables.** Identify the deliverables from the Innovation Platform. Deliverables will include tangible evidence of commercialization, innovation and technical progress and other deliverables that the for-profit Ohio industry Clients deem significant for measuring progress.

- **Schedule.** Provide a schedule that graphically displays the duration of tasks, interactions between the tasks and the timing of deliverables and other key milestones. The schedule should be based on weeks or months from authorization to proceed, rather than on any firm, fixed calendar dates.
- **Sustainability.** Provide a plan beyond the 3 year time period for sustainable programs that will continue to utilize the Innovation Platform and its resources for continued development, innovation and commercialization in partnership with Ohio industry.

3.3.7 Commercialization Strategy

In the order provided, this section of the Proposal's narrative must contain information that addresses the subject matter delineated below.

In preparing this section of the Proposal, the Lead Applicant must relate its commercialization plans and strategy to the Technology Commercialization Framework described in Section 1 of this RFP. The Lead Applicant should specifically address the following topics about each opportunity that will be funded by the requested Ohio Third Frontier Funds:

- **Commercial Applications.** A platform technology will have multiple commercial applications. Describe these opportunities and the companies that are committed to commercialization for each opportunity.
- **Value Proposition.** Address what the specific value proposition is for each of the opportunities and what are the differentiating benefits associated with the proposed technology as well as showing evidence to support the contention that the market values these benefits.
- **Potential for Products and Future Pipeline.** Identify focused commercialization and innovation opportunities that will have significant industry (i.e., market size and growth) and economic impacts that will have near-term (within 3 to 5 years of the start of the Project Period) benefit in Ohio in areas such as production, licensing and spin-off technology opportunities. The Innovation Platform must have already achieved at least Proof of Principle. Describe how the Innovation Platform's potential products have a competitive advantage over existing and alternative products that can meet market needs and can lead to additional enabling technologies and further discoveries. In addition to the current commercialization opportunities, describe why the Innovation Platform will continue to create new commercialization opportunities after the end of the Project Period.
- **Management of Intellectual Property.** Control and management of Intellectual Property (IP) are key success factors. The Proposal should clearly define the IP directly related to the technology proposed for commercialization, identify its status (e.g., trade secret, disclosure, patent application filed, patent awarded), identify who controls the IP, and explain how the IP differentiates the technology from its competition. Licensing of IP with multiple applications in different fields can present additional challenges. The Proposal should explain the approach that has been used. The Proposal should demonstrate that the commercializing entity has the freedom to

operate and has the ability to sustain a competitive advantage. The Proposal should also clearly define how the IP will be protected from the competition and how the Lead Applicant intends to manage new IP, how it will work with the technology transfer office (if applicable) and Clients to **quickly and efficiently** establish ownership and/or licensing rights and how it will work with Ohio-based companies and/or investors to realize positive economic impacts from the business opportunities being realized and brought to fruition in Ohio from the IP.

- **Ability to Achieve Market Entry Stage.** Identify the position of each of the Innovation Platform's opportunities within the Commercialization Framework, as described in Section 1 of this RFP, and demonstrate an understanding of the commercialization process, total resource requirements for achieving market entry and full commercialization, the type of knowledge that must be produced at the identified positioning stage and who will likely be the funding providers for the market entry stage. The Lead Applicant must identify any commitments from potential resource providers about their willingness to fund the market entry stage.

- **Financial Resources.** Describe the organizational and financial ability of each of the Ohio for-profit company Clients to advance the technology to market.

- **Size of Opportunity.** Demonstrate that the market of the opportunities is of sufficient size and has growth potential to positively impact the State. Provide an assessment of the market and realistic assumptions about the market share that potentially could be captured, potential customers and competitors and competing products.

- **Degree of Customer Readiness.** Define the functionality and market needs that the proposed technology will address as evidenced by potential customer input, especially Clients who are committed end-users or may be eventual customers for the product or service.

- **Receptive Capital Markets.** Describe the potential for long-term financing to support the growth of a commercial enterprise. Evidence of interest in this technology by various sources of capital should be provided.

- **Investment and Time to Market.** Describe the general magnitude of the investment needed to bring each of the products to market, and address how long the commercialization process will take.

- **Potential for Leverage.** Define how the Innovation Platform is expected to leverage Ohio Third Frontier Funds with other sources of non-State funding, such as industry organizations and private investors, to continue the commercialization and innovation activities during and beyond specific Ohio Third Frontier funding. Goals and plans for leveraging Ohio Third Frontier Funds must be specifically defined.

- **Ability to Compete Globally.** Demonstrate an understanding of the global marketplaces and trends, competitor analysis and access and benefits to marketplaces. Particular attention should be given to situations where initial markets and major competitors are global, where others have committed

major resources to this technology and where barriers to market entry favor international firms. Proposals will be evaluated on the basis of how well the Innovation Platform understands and can compete for international business opportunities.

• **Degree of Sustainable Competitive Advantage.** Demonstrate that the Innovation Platform fits within, or can create, an environment which enables Ohio to maintain a leading, competitive advantage. The advantage may be realized through the State's supply chain, labor base, intellectual property and other assets. Similarly, the advantage may be created from the IP and knowledge of the Lead Applicant and its Clients which provide assurance that commercialization will benefit Ohio.

• **Ability to Leverage Ohio's Supply Chain.** Discuss whether Ohio's relevant supply chain resources are, or could be, a positive factor in achieving success. Proposals will be evaluated on the basis of how closely matched the existing or emerging supply chain's capabilities are with the Innovation Platform's ability to leverage those Ohio supply chain resources.

The topics above will be used to establish the Level A and B metrics for the Innovation Platform. "Success" is achieved if products from the Innovation Platform achieve targeted market share.

3.3.8 Performance Goals

This section of the Proposal's narrative must address the projected performance measures that are anticipated to be achieved by the Innovation Platform. In preparing the performance goals, the Lead Applicant must relate its performance measures to the A, B and C Metrics referenced in the Technology Commercialization Framework described in Section 1 of this RFP.

The Lead Applicant should demonstrate that the Innovation Platform will have an impact on Ohio in these areas:

- job creation (for-profit, not-for-profit, retained);
- personal wealth (average salary of jobs created);
- new sales of products;
- follow-on investments (all stages of equity capital) and the receipt of new industry funding for sponsored research and technical services that fit within the expressed mission of the Innovation Platform;

Additional impact in Ohio should be demonstrated in the following areas if appropriate for the technology:

- companies created or attracted to Ohio;
- talent recruitment;
- enhanced national and/or international recognition which leads to further interest and potential sources of funding and collaboration.

The Proposal must contain a realistic forecast of the economic impacts of the Innovation Platform, including direct employment, payroll, product revenue and other leverage that will have been achieved 3 and 5 years after active work begins. The Lead Applicant should document how the projections were developed and key assumptions used in the analysis. For example, if the projections are based on capturing a particular share of the market, the Proposal should indicate the magnitude of the market and the basis for the estimated market share. The Lead Applicant should identify the impacts for each distinct product or product platform that will come from the State investment. The Lead Applicant should report only direct impacts, not secondary or tertiary impacts derived from economic models.

The following table must be completed and included in the Performance Goals section of the Proposal:

Summary of Economic Impact Commitments						
	<u>Year 3</u>			<u>Year 5</u>		
	<u>For Profit Jobs Created</u>	<u>Not for Profit Jobs Created</u>	<u>Product Revenue</u>	<u>For Profit Jobs Created</u>	<u>Not for Profit Jobs Created</u>	<u>Product Revenue</u>
<u>Lead Applicant</u>						
<u>Client #1 (NAME)</u>						
<u>Client #2 (NAME)</u>						
<u>Client #3 (NAME)</u>						
<u>Total Impacts</u>						

Changes to the table cannot be made other than inserting the name of Clients for "NAME" or adding more Client rows if the Proposal includes more than 3 Clients. Information on this table along with reported results will be required in all subsequent Third Frontier applications by the Lead Applicant and all Clients of funded Proposals.

If this Innovation Platform is an extension of, or related to, a prior Ohio Third Frontier Grant(s), then all projected economic impacts stated in the Proposal must be in addition to, and separate from, the sum of the economic impact projections from every related project.

Job numbers from the Economic Impact table will be included as commitments in all Innovation Platform Program Grant Agreements.

3.3.9 Performance on Prior Ohio Third Frontier Awards

This section is required only when the Lead Applicant is submitting a Proposal that is related to any prior Ohio Third Frontier Grant(s) to the Lead Applicant or one of its Clients. The Lead Applicant should address any relevant

information related to the past performance on all prior related Ohio Third Frontier Grant(s). The discussion must compare the current economic impacts achieved as a result of all related prior Grants to the specific projections as stated in the proposals for the prior Grants. The discussion should be adequate to enable an external reviewer who is not familiar with the prior Grant(s) to assess any pertinent issues or impediments and independently evaluate the impacts on the performance results. The Lead Applicant will include the following table for each Prior Award:

Summary of Performance on Prior Award			
Identify Third Frontier Grant # and Project Title:			
Total Award Amount:		Expended to date:	
		Year 3	Year 5
For-profit jobs projected in the Proposal			
For-profit jobs created as reported to Third Frontier			
Not-for-profit jobs projected in the Proposal			
Not-for-profit jobs created as reported to Third Frontier			
Follow-on Investment projected in Proposal			
Follow-on Investment as reported to Third Frontier			

Development will provide to the external reviewers past performance information necessary to verify the above information that may include Semi-Annual Metrics Reports, Quarterly Reports and the Final Report for every related prior Ohio Third Frontier Grant(s).

3.3.10 Prior IPP Submission

This section is required only when the Lead Applicant has submitted a Proposal in previous rounds of the IPP based on the same or a substantially similar Platform. The Lead Applicant must provide an overview of why their prior Proposal was not recommended for funding and how the current Proposal addresses those deficiencies.

3.3.11 Experience and Qualifications

This section of the Proposal’s narrative must contain information that addresses the subject matter delineated below.

• **Organizational Capabilities.** Provide a description of relevant organizational experience, capabilities, facilities and equipment and general financial state of the Lead Applicant and Clients. Provide detail sufficient to evaluate whether the Lead Applicant and Clients have the direct experience needed to perform both the technical and commercial work being proposed. References to past projects, relative to this section of the RFP only, should be limited to activities that have occurred within the past 5 years.

• **Demonstrated Leadership Assets.** Demonstrate commercialization, scientific, collaborative, regulatory and programmatic leadership experience and assets. Leadership should be evident at the individual, key personnel, corporate and Client levels in all critical phases of the Innovation Platform to include IP protection, regulatory compliance, product development, leveraging of additional funding or investment capital and commercialization. Also, demonstrate that the Innovation Platform has the highest level of support from both within the Lead Applicant's institution and from an Innovation Platform's Clients, by commitments of cash Cost Share.

Identify the Program Manager and/or Project Manager and other Key Personnel who will lead the Innovation Platform, their roles and responsibilities and the rationale for their selection for key positions. One of the Key Personnel from the Lead Applicant must be designated as the technical director while another or the same member of Key Personnel must have the required skills and experience to serve as commercialization director. Address how the Key Personnel will monitor and maintain progress, control quality, resolve problems and obtain advice on key decisions about the technical and commercial dimensions of the Innovation Platform. Also provide information about the management reporting structure among Key Personnel and the Lead Applicant.

• **Management Plan.** Discuss plans for internal means of communication, coordination of data and information management, evaluation and assessment of progress, allocation of funds and personnel and other specific issues relevant to the proposed activities. Proposals with sub-awards must provide a description of the Lead Applicant's oversight plan for those sub-awards, including:

- Ensuring financial accountability, including the monitoring of expenditures and reporting on outcomes, for all sub awardees; and
- Ensuring adherence to the Innovation Platform's scope of work.

• **Biographical Sketches.** Biographical information is limited to no more than 5 individuals whom the Lead Applicant considers key to the success of the Innovation Platform. These 5 individuals should represent the Innovation Platform's leadership from the technical, commercial, and managerial perspectives and ideally should be drawn from personnel of the Lead Applicant as well as Ohio for-profit company Clients. Biographical sketches shall be no more than one-half (1/2) page each, and one sketch must be included for each Key Personnel up to the total of 5 individuals. The biographical information should present the relevant work history, technical experience, commercialization experience, project management experience, educational attainment, honors and recognitions and selected recent

publications that relate directly to the subject matter of the Innovation Platform.

3.3.12 Budget

In preparing the budget and forecast, the Lead Applicant must use the applicable budget forms contained in Appendix C – Budget Forms.

Indirect Costs: No more than 20% of the total direct Ohio Third Frontier Funds requested may be budgeted for indirect costs. A rate of 20% of total direct costs may be used for facilities and administrative (F&A) indirect costs, but only on the operational portion of the budget and not against equipment, renovation or construction costs.

Cost Share Requirements – Magnitude: The monetary value of the cash Cost Share commitment must be \$1 for every \$1 of Ohio Third Frontier Funds requested (i.e., a ratio of 1:1). All Cost Share must be identified in the Proposal by amount, proposed use and source. If the Cost Share ratio reflected in a Proposal exceeds 1:1, the higher Cost Share ratio will be used as a requirement for a Grant awarded to that Proposal. The amount of Cost Share committed by Ohio for-profit company Clients will be a requirement of the Grant awarded and cannot later be reduced.

Cost Share must be documented on the budget forms and in a commitment letter from each organization contributing Cost Share and be signed by a representative authorized to commit the organization to the Innovation Platform and the Cost Share described. The Cost Share must represent a specific new commitment, including the dollar amount, to the Innovation Platform described in the Proposal.

Preference will be given to Proposals that pledge discretionary, unrestricted and unallocated cash from the Ohio for-profit company Clients.

Cost Share Requirements – Sources and Uses: Cost Share must be in the form of cash and must be for allowable costs that are verifiable and auditable. Cost Share must be used directly in support of the Innovation Platform rather than for coincidental or related/similar allocations. Cost Share must be necessary and reasonable to support the Innovation Platform objectives.

If an organization has a published Indirect Cost rate, un-recovered Indirect Costs (the difference between 20% and the published rate) may be used as Cost Share. Only Indirect Costs not fully recovered from the requested Ohio Third Frontier Funds are eligible to be used as Cost Share. Please note, a published Indirect Cost rate must be published as part of the general policies of the organization and applied uniformly to all grants or contracts. A federally negotiated and approved Indirect Cost rate is one form of a published Indirect Cost rate.

In those cases where the Lead Applicant does not have a published Indirect Cost rate agreement, the Lead Applicant is limited to using 20% of its Cost Shared direct costs as Cost Shared Indirect Costs and no other un-recovered Indirect Costs from the operating budget may be claimed.

The expense of the Cost Share must take place during the Project Period. Cost Share must be charged to resources of the Lead Applicant or Client and documented within the financial books of the Lead Applicant or Client, as the context requires.

Other Ohio Third Frontier or other State funding may not be used as Cost Share for this Proposal, and funds awarded under this RFP may not be used as Cost Share against other Ohio Third Frontier Projects.

Cost Share Requirements – Constraints: Resources that have already been designated as Cost Share for some other award cannot be used as Cost Share for an Innovation Platform Program award. The Cost Share must be applied to the Innovation Platform during the Project Period. Expenses incurred outside of the Grant Period do not count toward the Cost Share requirement.

The Lead Applicant is solely responsible to have adequate funds to cover all expenses of the Innovation Platform not covered by the Ohio Third Frontier Funds awarded. **Please note, the cash Cost Share proposed by the Lead Applicant and all Clients must be firmly committed, with no contingencies or conditions, from known sources and available to the Innovation Platform at the time of Proposal submittal.**

Grantees will be held accountable for the Cost Share ratio committed in the Proposal (Cost Share pledged divided by Ohio Third Frontier Funds requested) regardless of the actual amount of Ohio Third Frontier Funds awarded. If a Lead Applicant proposes a higher Cost Share ratio than required, the Lead Applicant and its Clients may not, at any time later, lower the Cost Share ratio.

Budget Forms and Narrative: A Lead Applicant must use the following Budget Forms contained in Appendix C – Budget Forms of this RFP.

Budget Form 1-Lead Applicant Budget is to be used by the Lead Applicant. The total OTF Funds requested in the Proposal must be represented on this form as the Grant amounts that will be used by the Lead Applicant and Clients. The Subcontract/Sub-Grant line on this form refers to the funds provided to Clients by the Lead Applicant or Cost Share provided by Clients.

Budget Form 2-Client Budget is to be completed for each Client that is receiving a Subcontract/Sub-Grant from the Lead Applicant and/or is committing Cost Share to the Innovation Platform.

The total of the requested Ohio Third Frontier Funds and Cost Share funds among the Clients' budget forms must equal the total corresponding amounts of the Subcontract/Sub-Grant line reported in Budget Form 1.

A Letter of Commitment on the Cost Share sources letterhead, signed by an authorized representative, must support each Cost Share amount claimed. Please note, the Lead Applicant accepts full responsibility for securing and delivering the Cost Share commitments. Such acceptance must be documented by the Lead Applicant in a letter that specifically states that it understands and accepts this responsibility.

A detailed Budget Narrative must also be included covering an explanation of the costs for both the Ohio Third Frontier Funds requested and Cost Share committed. The value, purpose and sources of the Cost Share should be defined.

3.3.13 Client Information/Letters of Commitment

A Commitment Letter must be provided for each Cost Share provider and Client identified in Budget Form 2. Commitment letters may not be more than 2 pages and may not include appendices or attachments.

The letters must:

- Be submitted on the letterhead of the Client;
- Include the name of the Lead Applicant, the title of the Proposal and the LOI number assigned by Development;
- Briefly state the nature and duration of the services to be received by the Client and how the Innovation Platform will contribute to the strategy of the Client;
- State the specific amount of the Cost Share commitment that matches the Cost Share amount on the corresponding Budget Form 2;
- State the source of the Cost Share;
- If applicable, state any other resources, other than Cost Share, the Client is committing to the Innovation Platform;
- Be dated and signed by a representative of the Client with the authority to make the Cost Share commitment.

Other letters are allowed but only if they come from a committed end-user who has a commercial interest in, and commits to commercial application of the results of the Innovation Platform. These other letters must describe the anticipated benefit and what advice and support the committed end-user will be providing in the way of market opportunities, knowledge of competing technologies, technological and/or commercial hurdles for the Innovation Platform and parallel and supportive development and innovation efforts. Letters from committed end-users may not be more than 2 pages and may not include appendices or attachments.

General support letters are not allowed. Any such letters submitted will be removed from the Proposal and not transmitted to the external evaluation team.

3.4 Page Limitations

Any pages beyond the page limits listed below will be eliminated from the Proposal before it is sent for review and evaluation. Except as otherwise noted, appendices or other methods to augment the information presented in the Proposal are not

allowed. Reference to web-based information to supplement the Proposal is not permitted, and such references will not be considered in the evaluation.

- Abstract – 1 page
- Platform Information – 7 pages (plus a maximum of 2 pages of “Footnotes” at the end of the section)
- Commercialization Strategy – 9 pages
- Performance Goals – 2 pages
- Performance on Prior Ohio Third Frontier Awards – 1 page per Grant, if applicable
- Prior IPP Submission – 1 page, if applicable
- Experience and Qualifications – 3 pages total including the Lead Applicant and all Clients
- Biographical Sketches – 2.5 pages (A maximum of 5 biographical sketches of Key Personnel, with each bio limited to a half page)
- Budget – Use specified forms
- Budget Narrative – Minimum of 2 and maximum of 3 pages total
- Client Information/Letters of Commitment (A maximum of 2 pages per letter and letters may only be submitted from Ohio for-profit company Clients or committed end-users as defined in section 2.3.3 of this RFP. Letters may not have attachments or appended materials of any kind.)

4 Evaluation Criteria

Only the most meritorious proposals are sought for funding. Proposals will be evaluated based on responsiveness to all the requirements of this RFP and on the Lead Applicant’s response to any additional information that may be requested. Implicit in those requirements and evaluation criteria is the quality of the Proposal and budget.

The following criteria have been designated with the highest relevance to and weighting for the Innovation Platform Program:

- Alignment of the Proposal with the Innovation Platform Program purpose, goals, objectives, eligibility, funding and Cost Share requirements as described in Section 2 of this RFP.
- Quality of the responses to the requirements of this RFP as outlined in the Statement of Work, including the Platform Information, the Commercialization Strategy, Performance Goals, Experience and Qualifications and Budget. The following specific elements of the Proposal will be examined:
 - Fit with the definition of a platform as defined in Section 2.1

- Commitment of Ohio for-profit company Clients as evidenced by their contribution of cash Cost Share
- Evidence of a sustainable pipeline of commercialization opportunities
- Degree to which technical challenges can be met
- Degree to which applicant has a protected position with respect to their proposed technology
- Quality and likely achievability of the commercial path to market
- Financial stability of the Ohio for-profit company Clients who will take the technologies to the market
- Degree to which this Innovation Platform will help build the State's supply chain and overall technology cluster
- Impact of the Innovation Platform in terms of additional revenue and employment in 3 and 5 years
- Realism and achievability of the proposed business model
- Sustainability and continued relevance and likely use of the innovation platform by Ohio industry
- Compliance with this RFP's administrative requirements.
- If applicable, the current economic impact of previous related Ohio Third Frontier Grant(s).

The evaluation criteria are designed to support the mission and goals of Ohio Third Frontier and its various programs.

5 APPENDICES

- A. RFP Process, Awards Process and Mandatory Compliance**
- B. Letter of Intent Form**
- C. Application Forms and Budget Forms**
- D. Form of Grant Agreement**