



Development
Services Agency



Third Frontier
Innovation Creating Opportunity

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- ✓

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1 Ohio Third Frontier Statement of Solicitation

1.1 Overview

The Technology Validation and Start-Up Fund provides grants to transition technology from Ohio research institutions into the marketplace through Ohio start-up companies. Ohio research institutions may apply for funding for validation (e.g. viability testing, prototyping, etc.) of their unlicensed technologies. Ohio start-up companies may apply for funding to commercialize a technology they license from a university or an research institution.

1.2 Background

Ohio Third Frontier is a \$2.1 billion economic development initiative supporting technology entrepreneurship and growing jobs across the state of Ohio. Through a statewide network of resources, entrepreneurs have access to the technology, business assistance, capital and talent to turn great ideas into thriving companies. Ohio Third Frontier is driving this expanding, vibrant community of high-growth technology companies, and making Ohio a leading destination for entrepreneurs.

What Ohio Third Frontier Supports:

Ohio Third Frontier seeks compelling business models for near-term market opportunities based on technology and tech-enabled products and services focused in the following areas:

- ✓ Software/Information Technology
- ✓ Biomedical/Life Sciences
- ✓ Advanced Materials
- ✓ Sensors
- ✓ Energy
- ✓ Advanced Manufacturing

For more information about Ohio Third Frontier, visit www.ohiothirdfrontier.com.

1.3 Request for Proposals Issuance

This Request for Proposals (“RFP”) is being issued for funds to be awarded under the Ohio Third Frontier Technology Validation and Start-Up Fund (“Program”). This RFP will be released by publication on the Ohio Third Frontier website at http://development.ohio.gov/bs_thirdfrontier/tvsf.htm and the State of Ohio procurement website at <https://procure.ohio.gov>.

The Ohio Third Frontier Commission (“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 Commission determines that doing so is in the best interests of the State of Ohio (the “State”). 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.

The Ohio Development Services Agency (“DSA”) administers this RFP and reserves the right to adjust the dates for this RFP for whatever reason it deems appropriate. DSA’s Office of Technology Investment will administer all funds awarded under this RFP. This RFP is not a contract or commitment of any kind on the part of DSA.

1.4 RFP Process and Awards Process

The RFP Process will consist of the following steps:

- Release of RFP
- 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 TVSF@development.ohio.gov with a subject line of “TVSF RFP Q&A”. Lead Applicants, Licensing Institutions and/or others acting on their behalf shall be aware of all prohibited contact in Section IV of Appendix A – RFP Process, Awards Process, and Mandatory Compliance.

If a Lead Applicant, Client or others acting on their behalf makes prohibited contact, DSA, in its sole discretion, may eliminate the proposal from the RFP process.

A template/sample grant agreement will be available on the Program’s website: http://development.ohio.gov/bs_thirdfrontier/tvsf.htm

2 Program Description

2.1 Purpose

The goal of the Ohio Third Frontier Technology Validation and Start-Up Fund is to create greater economic growth in Ohio through start-up companies that commercialize technologies developed by institutions of higher education, other not-for-profit research institutions and federal labs (“Eligible Institution”).

The Program has been designed to: 1) Support protected technologies developed at Ohio Eligible Institutions that need known validation/proof that will directly impact and enhance both their commercial viability and ability to support a start-up company and 2) Support Ohio start-up and young companies that have not yet, but intend to license validated/proven technologies from an Eligible Institution, and have already engaged with the Eligible Institution in a due diligence discussion for doing so.

Two separate mechanisms, with different application requirements, have been set up to achieve these goals: Technology Validation (Phase 1) and Start-Up Fund (Phase 2). This RFP specifically covers **Phase 2 – Start-Up Fund**. Phase 1 is addressed through a separate RFP.

2.2 Goals

The specific goals of Phase 2 of the Program include:

- ✓ Accelerate the commercialization of technology by Ohio start-up companies that license technology developed at iEligible Institutions during the critical early stage life of the company.
- ✓ Generate the proof needed to move technology to the point where it is able to be commercialized, or additional funds for commercialization can be raised. The Lead Applicant (defined in Section 2.3.1) is encouraged to have a clearly identified path to subsequent funding opportunities, and, if possible, work directly with potential investors to identify the proof needed for investment into the company.
- ✓ Funded activities may include, but are not limited to, beta prototype development and deployment to potential customers for testing and evaluation, and market research/business development in order to generate the proof needed.

2.3 Eligibility

2.3.1 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 under this RFP (“Lead Applicant”). The Lead Applicant will be responsible for the administration of its proposal should it be awarded. The Lead

Applicant must also serve as both the administrative and technical director of the Project.

Eligible Lead Applicants for the Phase 2 Start-up Fund are Ohio start-ups and young, emerging Ohio companies that **intend to, but have not yet, executed** an exclusive license with the owner of the technology that has been developed at an Eligible Institution. The technology being licensed must have been developed at, and be owned by, the Eligible Institution and not previously licensed by the Lead Applicant.

A technology does not need to have been the subject of a Phase 1 Award to be eligible for Phase 2 funding. However, if a technology received Phase 1 funding, that Phase 1 project must be complete with affirmative results before applying for Phase 2 funding. See Section 3.3.3 for additional instructions for pursuing a Phase 2 application based on previous Phase 1 funding.

The Lead Applicant must be an Ohio for-profit company with a place of business in the State, along with a strategy and business plan that has it remaining in the State. A principal place of business is a facility located in the state where the Lead Applicant, who is registered with the Secretary of State to conduct business in the state, maintains physical operations, and those physical operations are managed by a senior representative of the Lead Applicant who is authorized to make decisions and to obligate the Lead Applicant and its resources. Benefits from commercialization of the technology must occur in the State.

A Phase 2 Lead Applicant may apply for a Phase 2 award no more than three times—this restriction would include their initial proposal as well as up to two revised submissions if unsuccessful. A proposal being submitted for the second or third time is considered a revised proposal and the appropriate box must be checked in the application forms.

A Lead Applicant that becomes a Grantee must maintain eligibility while the grant is open. A Grantee that loses eligibility forfeits its award and may be required to repay the State the full amount of the funds it has received under the award.

Note, although unlikely, if the Lead Applicant has received substantial Pre-Seed Fund investment, they will likely have exceeded the target stage of development for the Program.

2.3.2 Stage of Development

To be considered eligible for Program funds, a technology must already have intellectual property protection, defined as patent pending or patent issued, as appropriate.

Program funds are not meant to be early stage “proof of concept” funds—projects supported by the Program must have already advanced beyond basic research. **A license agreement exclusive for the field of use must be executed with the owner of the technology before a grant agreement is executed with DSA and Program funds are disbursed. A copy of the signed,**

executed license agreement must be provided to DSA within nine months of the date of application submittal for Phase 2 funding.

2.4 Funding and Cost Share

2.4.1 Funding Available

DSA anticipates awarding up to \$6 million over the four rounds covered by this RFP and the Phase 1 RFP.

The Start-up Fund awards (Phase 2) may be up to \$100,000 for each Project. Because biomedical technologies are of great priority to Ohio Third Frontier and typically require greater resources, a Phase 2 award for a proposal relating to biomedical technology may be up to \$150,000.

2.4.2 Cost Share

Cost share is the commitment of financial resources to the support of the overall project budget by the Lead Applicant. The primary source of cost share is typically a direct cash contribution by the Lead Applicant.

Cost share is not specifically required for Phase 2 awards. However, there are numerous restrictions on the use of Program and cost share funds (see Section 2.4.4) and proposals must represent complete projects that, if successful, will enable the Lead Applicant to either achieve market entry or raise significant funding. Cost share must be available with no contingencies or conditions at the time of proposal submission to DSA. Federal Funds, unless expressly allowed under the applicable Federal Program, State of Ohio General Revenue Funds, Ohio Development Services Agency program funds, or other Ohio Third Frontier program funds shall not qualify as part of any Cost Share amount.

2.4.3 Eligible Expenses

Program funds and cost share may only be used for the following types of activities/expenses:

- ✓ Purchased services from vendors or contractors that do not have a financial stake in the Lead Applicant
- ✓ Supplies
- ✓ Equipment

2.4.4 Ineligible Expenses

Program funds and cost share may not be used for any of the following types of activities/expenses:

- ✓ **Lead Applicant personnel costs**
- ✓ Bonuses, incentive compensation or rewards
- ✓ Travel expenses (including conference fees)
- ✓ Indirect costs (e.g., F&A) of Grantee
- ✓ Legal, licensing, or royalty fees
- ✓ Patent prosecution expenses

- ✓ Developing grant proposals
- ✓ Administering an OTF award (including a TVSF award stemming from this RFP and project management costs)
- ✓ Sponsored research
- ✓ Any other activity determined to not be consistent with the intent, goal, or rules of the Program

2.5 Term of Project

A Project is the plan of activity or activities that make up the total scope of work for which an award of Program funds is being requested and for which a proposal is approved (“Project”). The Project Period is the period during which the work funded by the Grant will take place and will be one year for Phase 2 (“Project Period”). Requests for extensions will be reviewed on a case-by-case basis and will generally not exceed 6 months in length. For an additional three years following the Project Period, the Lead Applicant will continue to follow and report commercialization successes to DSA.

3 General Proposal Requirements

3.1 General Instructions

Program proposals must be submitted via DSA’s online proposal submission portal. The link for the portal will be posted on the [TVSF Program Website](#) approximately two weeks prior to the proposal submission due dates.

If the portal is unavailable, proposals are to be submitted via email to TVSF@development.ohio.gov

Lead Applicants must incorporate the questions provided in Appendix B – Phase 2 Application Forms into their proposal narrative. No other materials or narrative beyond what is requested in the appendix may be submitted. It is the Lead Applicant’s responsibility to ensure submission of a complete proposal based on all requirements of this RFP.

3.1.1 General Formatting Requirements

- ✓ Proposals are to be submitted on 8.5 x 11-inch page size.
- ✓ Margins must not be less than $\frac{3}{4}$ of an inch on all sides
- ✓ 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 and Lead Applicant name must appear at the bottom of each page.
- ✓ Proposals should not include color figures that cannot be understood when photocopied in black and white.
- ✓ Do not include a cover or cover letter other than the Application Information Page.

3.1.2 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. References to web-based information to supplement the proposal are not permitted, and such references will not be considered in the evaluation.

Section	Page Limit
3.3.1 Administrative Pages	3 pages
3.3.2 Proposal Narrative	7 pages
3.3.3 Proposal Supplement: Summary of Previous Phase 1 Award	1 page
3.3.4 Letter of Support	1 page

3.2 Public Information

Lead Applicants are reminded that 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.

3.3 Order and Content of Proposal Sections

Unless otherwise noted, the proposal must address all of the elements listed in this section in the order requested.

3.3.1 Administrative Pages

The first three pages of the proposal must be the completed pages from Appendix B – Phase 2 Application Forms.

3.3.1.1 Application Information

The first page of the proposal must be the Application Information Page which must contain the title and signature of the Lead Applicant’s Authorizing Agent.

3.3.1.2 Financial Liability and Legal History

The second page of the proposal must be the completed Financial Liability and Legal History page.

3.3.1.3 Lead Applicant Contact Information

The third page of the proposal must be the completed Lead Applicant Contact Information page.

3.3.2 Proposal Narrative

Applicants must answer the questions provided in Appendix B – Phase 2 Application Forms. While the overall proposal narrative may not exceed seven pages, it is up to the applicant to allocate the space among the questions as they feel best presents the opportunity.

Applicants should carefully examine Section 4 to understand the evaluation criteria to best use their available space. With the short page limit, the Proposal

narrative is not expected to be an in-depth technical assessment of the problem and the work plan

3.3.2.1 Engagement with the Entrepreneurial Ecosystem

The Ohio Third Frontier has made significant investment into fostering a statewide entrepreneurial ecosystem. This investment is particularly visible in the [Entrepreneurial Services Provider \(ESP\) Program](#), a statewide network of regionally-based organizations designed to provide services and capital to help entrepreneurs with a start-up technology company accelerate their growth and get their ideas to market. Each of the six regions of the state has a lead organization that, along with its extensive collaborator network, provides services including:

- ✓ Mentorship by seasoned entrepreneurs and industry professionals
- ✓ Help with business planning and investment pitch preparation
- ✓ Access to investors and capital
- ✓ Business support including legal, tax and accounting services
- ✓ Assistance developing intellectual property and marketing/sales strategies
- ✓ Help recruiting talent
- ✓ State-of-the-art workspaces at incubators.

It is critical that while developing their TVSF proposal, Phase 2 applicants engage with one of the ESPs. The level and type(s) of engagement must be detailed in response to the associated question in any Phase 2 proposal. At a minimum, this should include:

- ✓ In-person meeting with ESP to discuss proposal and business
- ✓ ESP review of business plan and pro-forma
- ✓ ESP review of assumptions underlying the business plan

Representatives from the ESPs may be contacted to verify the level and type(s) of engagement.

3.3.3 Proposal Supplement: Summary of Previous Phase 1 Award

If the Lead Applicant has previously received a Phase 1 award, that project must be complete with affirmative results before applying for Phase 2 funding. The Phase 2 application must include (i) a summary of the prior project, (ii) project-specific metrics that indicate successful completion of the project and (iii) a description of the validation/proof process employed. The summary should not exceed 1 page in length and must include the table included in [Appendix B – Phase 2 Application Forms](#).

3.3.4 Letter of Support

Each application under Phase 2 must contain a letter from the Technology Transfer Office of the Eligible Institution attesting that it is working with the Lead Applicant on a prospective exclusive license of the technology. The status of the negotiation and similar pertinent information should be included in this letter. This letter shall not exceed one page.

Letters of Support must meet the following requirements:

- ✓ Be submitted on the letterhead of the Eligible Institution;
- ✓ Include the name of the Lead Applicant;
- ✓ Briefly state the nature and the duration of any relationship with the Lead Applicant;
- ✓ State the status of the license negotiation;

Lead Applicants are encouraged to utilize the allowable letter of support to enhance their proposal as opposed to including a simple form letter that provides little insight.

No other support letters are allowed. Any such letters submitted will be removed from the proposal and not transmitted to the external evaluation team.

4 Evaluation Criteria

Only the most meritorious proposals are sought for funding. Proposals will be evaluated by a third-party evaluator based on responsiveness to all the requirements of this RFP. Implicit in those requirements and evaluation criteria is the quality of the statement of work and budget.

The following criteria have been designated with the highest relevance to and weighting for the Technology Validation and Start-Up Fund:

- ✓ Alignment of the proposal with the Technology Validation and Start-Up Fund purpose, goals, objectives, eligibility and funding requirements as described in this RFP.
- ✓ Compliance with this RFP's administrative requirements.
- ✓ Quality of the responses to the requirements of this RFP as outlined in the proposal narrative. The following specific elements will be examined:
 - Proposed proof needed to raise additional funds for commercialization is deemed meaningful and likely impactful to that end.
 - Proposed proof can be generated during the one-year Project Period and with the proposed resources.
 - Likelihood of being able to raise additional funds needed for commercialization at the end of the Project.
 - Experience and commitment of the team members in commercializing new technology.
 - Realism and achievability of the proposed business model.
 - Stability and backing of company. Must have demonstrated backing and support independent of the Eligible Institution.
 - Degree to which the intellectual property is protected relative to both the technology and the proposed business model.
 - Potential opportunity of the start-up, including size of potential market.
 - Completeness of budget narrative and appropriate use of funds.

Upon request from DSA or the external evaluators, in addition to the written proposal, Phase 2 applicants are expected to be able to provide their business plan, equity structure and a list of officers and their affiliations.

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

5 APPENDICES

Appendix A – RFP Process, Awards Process, and Mandatory Compliance

Appendix B – Phase 2 Application Forms