



Third Frontier
Innovation Creating Opportunity

Wright Projects Program

**FY 2010 Bidders Conference
October 6, 2009**

Agenda

- **Welcome and Introductions**
- **Ohio Third Frontier**
- **Commercialization Framework**
- **Ohio Third Frontier Wright Projects Program**
- **Q & A**

Ohio Third Frontier

Background

- The Ohio Third Frontier was initiated in February 2002 and, with a commitment of \$1.35 billion, is the state's largest-ever economic development initiative
- Ohio's investment has leveraged \$4.1 billion in additional investments from the private sector and federal government
- Program investments have helped to create 598 new companies, more than 8,500 new direct jobs, and more than 48,000 direct and indirect jobs

Ohio Third Frontier

Vision

To establish, in targeted areas of technology, regional and statewide clusters of excellence that sustain our global competitive advantage in company and product formation, job creation and economic growth.

Ohio Third Frontier

Objectives

Guided by a focus on Ohio research and industrial strengths:

- Increase the quantity of high quality research that has commercial relevance to Ohio companies;
- Expand access and availability of investment capital to create, grow and attract technology-based enterprises;
- Grow and nurture entrepreneurial management talent supported by organized systems of services and networking;
- Address the technical needs of existing companies pursuing new products and production processes;
- Contribute to the expansion of a technologically proficient workforce.

Ohio Third Frontier

Focus Areas

Based on a 2002 study by Battelle and revised by the Ohio Third Frontier Commission in 2008, the Ohio Third Frontier embraces five technology focus areas:

Biomedical

Advanced/Alternative Energy

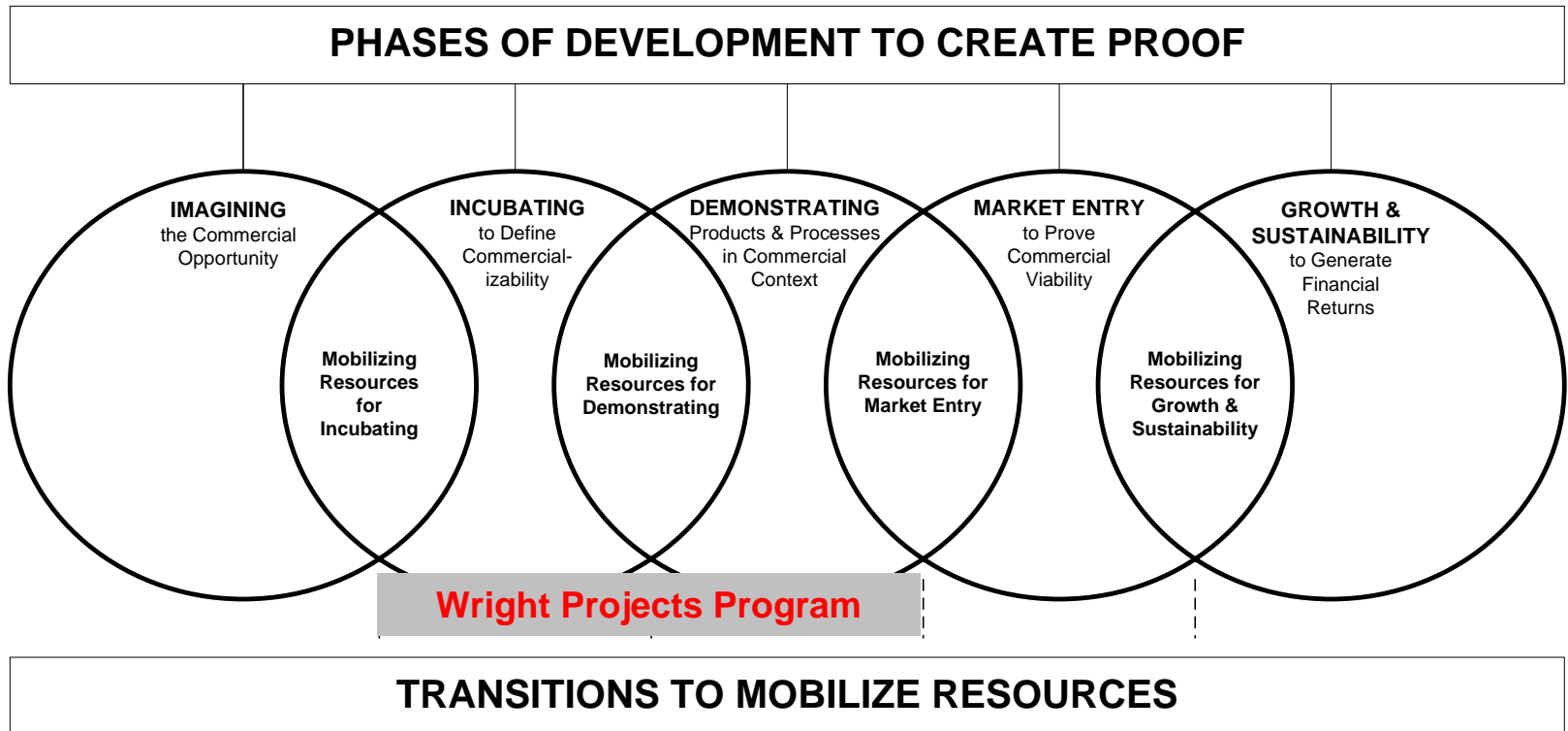
Instruments, Controls, Electronics

Advanced Materials

Advanced Propulsion

Commercialization Framework

THE PROCESS OF TECHNOLOGY COMMERCIALIZATION



Adapted from Jolly, Vijay K., Commercializing New Technologies. Getting from Mind to Market, Harvard Business Press, 1997

Ohio Third Frontier Investment Highlights

- Statewide Entrepreneurial Signature Program (ESP) established and organized around 6 regional networks
- 46 pre-seed and seed funds capitalized
- 13 Wright Centers of Innovation (including one Mega-Center) established
- Endowments for 26 Ohio Research Scholars
- More than 80 advanced energy projects supporting the growth of the fuel cell and photovoltaic clusters
- 3,000 STEM interns placed in over 700 companies

Ohio Third Frontier FY2010 Programs

Research Commercialization Programs

- Wright Projects Program
- R & D Center Attraction (New)

Entrepreneurial Programs

- ESP Success / Pre-Seed Follow-on Funds (Modified)

Cluster Development Programs

- Advanced Energy Program
- Fuel Cell Program
- Photovoltaic Program (New)
- Medical Imaging Program (New)
- Biomedical Program (New)
- Advanced Material Program (New)
- Sensors Program (New)
- Targeted Industry Attraction Grants

Human Capital Programs

- Third Frontier Internship Program

Ohio Third Frontier Wright Projects Program

Fiscal Year 2010

Program Goal

To link research capabilities and capacities within Ohio colleges and universities with specific needs of Ohio industry

Program Objectives

- To support major capital acquisitions and improvements at an Ohio college, university, or non-profit research institution to support specifically defined near-term commercialization objectives of one or more Ohio for-profit companies;
- To support programs that will achieve commercial market entry within three (3) years of the Project award;
- To support projects that will create wealth and employment opportunities within Ohio;
- To support long-term use of capital to enhance other applied research, development, and demonstration programs; and,
- To support long-term use of capital to promote educational and training programs for technical workers and students in the targeted technology areas.

Program Requirements (abridged)

- Merge near-term commercialization activities with for-profit Ohio companies and long-term education and training at Ohio colleges and universities
- Research results with excellent commercialization potential – near-term (within 3 years of the Project Period start) commercialization of specific or platform technology or capability with significant, defined market opportunities
- Collaboration among 2 or more Ohio-based institutions
- Institutional commitments (at least 1:1 Cost Share)

Eligible Proposals

- Lead Applicant that must either be an Ohio college or university or a non-profit public or private research organization or public body 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 or public body in Ohio is an organization having business lines that include research and development, that have a significant portion of their R&D activities in Ohio, and that have a Principal Place of Business in Ohio.

- Must be a collaborative effort involving at least one Ohio college or university as the Lead Applicant or as a Collaborator and at least one for-profit company having a Principal Place of Business in Ohio as a Collaborator

If the facilities or equipment will be owned, or will be part of the facilities owned, by an Ohio non-profit public or private research organization or public body, the corporation must enter into a Joint Use Agreement (JUA) with a collaborating Ohio college or university. At a minimum, a draft JUA must be provided as part of a Proposal at the time of the Proposal's submittal. In no case may capital assets acquired with funds awarded through this RFP be owned by a for-profit entity.

Eligible Proposals

Engineering & Physical Sciences

- Advanced/Alternative Energy
- Instruments, Controls & Electronics
- Advanced Materials
- Advanced Propulsion

Proposals covering the same purposes submitted to any of the Ohio Third Frontier Cluster Development Program RFPs are not eligible to be submitted also to OTF WPP under this RFP. All Proposals must stand on their own merits and may not be contingent on winning any other Ohio Third Frontier award.

Eligible Proposals

Biomedical

- Must address an opportunity area related to improving human health
- Any biomedical project involving drug development, diagnostics and therapeutics, or medical devices must be sufficiently advanced to formally compile and submit an FDA Investigational New Drug or Investigational Device Exemption application by the end of the three-year Project Period

Proposals covering the same purposes submitted to any of the Ohio Third Frontier Cluster Development Program RFPs are not eligible to be submitted also to OTF WPP under this RFP. All Proposals must stand on their own merits and may not be contingent on winning any other Ohio Third Frontier award.

Funding

- Development anticipates awarding up to \$21 million through the FY 2010 OTF WPP
- Awards will be in the range of \$1 - \$3 million
- With the at least 1:1 Cost Share requirement, individual projects should represent at least \$2 - \$6 million in activity
- Funds are intended for capital and operational expenses
- Operating funds request can be for no more than 25% of the total Project funds requested, not to exceed \$500,000

Funding

- Third Frontier Research and Development funds are to be used for operational expenses for Ohio colleges and universities, non-profit research institutions, and/or for-profit companies
- Wright Capital Funds must be used solely to acquire, renovate, or construct facilities and purchase equipment that is part of property of facilities owned by an Ohio state-supported or state-assisted institution of higher education or by a non-profit corporation or a public body that provides access and use of facilities or equipment to a collaborating Ohio State-supported or state-assisted institution of higher education
- Indirect Costs may not exceed 20% of the total direct operating funds reflected in the Project budget
- Un-recovered Indirect Costs are an allowable form of Cost Share

Cost Share

- Must be at least one dollar for every one dollar of State Grant Funds requested (i.e., a ratio of 1:1)
- Preference will be given to Proposals that pledge Cost Share as discretionary, unrestricted, and unallocated cash and such cash must appear on the financial records of the Lead Applicant
- Must be documented on the budget forms, in the budget narrative, and in a letter from each organization contributing Cost Share signed by a representative authorized to commit the organization to the proposed Project and the Cost Share described
- Must represent a specific new commitment to the Project described in the Proposal
- Must be allowable costs that are verifiable and auditable and consistent with the Cost Share guidelines

Cost Share

- Resources that have been designated as Cost Share for some other award cannot be used as Cost Share for an Ohio Third Frontier award
- Cost Share must be applied to the Project during the Project Period
- 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
 - If the Lead Applicant does not have a federally negotiated and approved Indirect Cost rate agreement, then 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
- OTF funding may not be used as Cost Share, and funds awarded under this RFP may not be used as Cost Share against other Third Frontier projects
- Lead Applicant will be held to the Cost Share ratio proposed

Proposal Evaluation Criteria

The following criteria have been designated with the highest relevance to and weighting for the OTF WPP:

- Alignment of the Proposal with the OTF WPP purpose, goals, objectives, eligibility, funding, and Cost Share requirements as described in Section 2 of the RFP
- Quality of responses to the requirements of the RFP as outlined in sections 3.3.6 through 3.3.12 of the RFP
- Compliance with the RFP's administrative requirements

Proposal Evaluation Criteria

- 3.3.6 Technical Plan
- 3.3.7 Commercialization Strategy
- 3.3.8 Performance Goals
- 3.3.9 Performance on Prior OTF Awards
- 3.3.10 Experience and Qualifications
- 3.3.11 Budget
- 3.3.12 Collaborator Information/Letters of Commitment

Review Process

Administrative Review

- Third Frontier Commission staff
- Receive and process Proposals for administrative compliance
- Forward to NAS for review

National Academies of Science Review

- Independent, external evaluators
- Technical, commercial, experiential review
- Rank recommended Proposals
- Final NAS report

Review Process

In addition to the external review, Development may review applications to assess:

- Past performance of Lead Applicant and its team;
- Proposal's strategic fit with prior Third Frontier investments, other State investments, Development's strategies, and the Ohio Board of Regent's strategies; and,
- Factual business intelligence relevant to describing the Ohio economic development opportunity

The results of such review will be presented to the Ohio Third Frontier Commission for its consideration

Timeline

September 11, 2009

RFP Released

October 20, 2009

LOIs due by 2:00 p.m.

December 8, 2009

Proposals due by 2:00 p.m.

December 2009 – May 2010

Review Process

Approximately May 2010

Award Announcements

Be sure to use the current version of the RFP and application / budget forms

Policy & Administrative Questions

- All questions must be submitted via e-mail
- E-mail: OTFWPP2010@development.ohio.gov, with subject line “OTFWPP Q&A”
 - * *LOIs are to be submitted to this same e-mail address, with the subject line “2010 OTFWPP LOI”*
- Frequently asked questions will be posted on the Third Frontier web site: www.thirdfrontier.com

RFP Modifications & Clarifications

- From time to time, it may be necessary to modify or clarify portions of the RFP, as well as the forms. In that event, we will post a document titled “RFP Modifications and Clarifications” to the RFP page for the particular program on the Third Frontier website. The document will have an explanation of any changes.
- It is your responsibility to be aware of any RFP modifications and to ensure that your proposal conforms with any such modifications

Budget Forms

- **BF1** – Total breakdown of State funds and Cost Share funds regardless of Lead Applicant / Collaborators. Do not use Subcontract/Subgrant line-item.
- **BF2** – Breakdown of Lead Applicant's requested State funds and committed Cost Share. Subcontract/Subgrant line-item should contain total amount of requested State funds and committed Cost Share from all Collaborator BF3s.
- **BF3** – Must be submitted for each and every Collaborator receiving State funds and/or committing Cost Share.
- **BF4** – Single form listing entity source and type for Lead Applicant and all Collaborators committing Cost Share. Do not submit multiple BF4s.

Note:

- + Budget Forms 1 and 2 totals are to equal
- + All Budget Form 3s are to equal Subcontract/Subgrant line-item totals in Budget Form 2

Things to Avoid

Collaborations

- Failure to consider/involve OTF grantees when it makes sense
- Silo building / Exclusion of professional rivals
- Involving OTF grantees when it doesn't add value
- Window dressing and a cast of thousands
- Hollow letters of support
- Disengaged commercial partners and boards
- Meaningless partnerships
- Cobbling together individual projects

Things to Avoid

Cost Sharing

- Not viewing Cost Share as a true half of the whole
- Not addressing Cost Share specifics in the budget narrative
- Missing letters of commitment
- “Related” Cost Share
- Bait & switch
- The ratio you propose is the ratio we hold you to
- Assuming the highest bidder wins

Things to Avoid

Commercialization / Market

- Over/under estimating your position in the framework
- Proposing a program in its infancy
- If NSF/NIH/etc. will fund you, OTF likely will not
- Not acknowledging the competition
- Not considering/involving end users, suppliers, manufacturers
- Not being industry driven, omitting industrial leaders
- Unrealistic impacts

Things to Avoid

Administrative Issues

- Late proposals – deadline is 2:00 p.m.
- Falling above or below the award scope
- Ignoring page limitations
- More than 5 key personnel
- IP boilerplate, or any boilerplate used in your proposal
- Claiming everything as proprietary information
- Appending material
- Augmenting letters of collaboration
- Missing letters of collaboration
- Incorrect or missing budget forms

Questions?