



# **CLUSTER INITIATIVE PROGRAM**

## **Program Description and Request for Proposals**

**Implementation Award Applications (Up to \$500,000)**

**Deadline: October 20, 2014 5:00 pm**

**Planning/Feasibility/Pilot Project Award Applications (up to \$50,000)**

**Deadline: Accepted on Rolling Basis (anytime)**

**Contact:**

**Martha Bentley, Cluster Initiative Program**

Phone: 207-582-4790 ext. 205

Email: [mbentley@mainetechnology.org](mailto:mbentley@mainetechnology.org)

For more information about the Cluster Initiative Program, please visit our website at <http://www.mainetechnology.org/fund/cluster-initiative-program>

**8 Venture Avenue Brunswick Landing Brunswick, Maine 04011**

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## GENERAL INFORMATION

### **Why Does MTI Fund the Development of Clusters?**

The Maine Technology Institute (MTI) was created by the State Legislature in 1999 to “encourage, promote, stimulate and support research and development activity leading to the commercialization of new products and services in the State’s technology-intensive industrial sectors to enhance the competitive position of those sectors and increase the likelihood that one or more of the sectors will support clusters of industrial activity and to create new jobs for Maine people” (5 MRSA c. 407).

### **What is a Cluster?**

A technology cluster is a grouping of industries that typically share common supply chains, markets and technology competencies or knowledge. Clusters are grouped around technology-related industry drivers and provide a state with its unique competitive advantages. Clusters are important drivers of business growth and economic development leading to creation and retention of high wage jobs. Common examples of technology clusters are California’s Silicon Valley information technology cluster and Maine’s marine trades cluster. Strong clusters have common characteristics:

- **Concentrations of companies** that serve similar customers and draw on similar knowledge and specialized workers to develop innovative products and services.
- Companies in the cluster are mutually **supported by organizations** such as specialized suppliers, industry-knowledgeable universities, trade associations, legal and financial experts, funding sources and government agencies.
- The companies derive **competitive advantages** in the marketplace from a range of activities and **sharing of knowledge** across the cluster (e.g. supply-chain development, market intelligence, business incubator or accelerator services, attraction of capital, management training, joint R&D, technical standard setting).

The following factors influence the development and strength of clusters in a region<sup>1</sup>:

- Unlike industrial sectors, clusters are defined by knowledge generation and knowledge spillovers, the transmission of information among the elements of the cluster. Clusters are thus defined not necessarily by what products are made, but the knowledge and skills that reside or are developed within a region.
- Geography is important but the exact borders of the region where knowledge and skills matter are highly variable; there is no single size of region that encompasses a cluster.

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<sup>1</sup>*Executive Summary/ Maine’s Technology Sectors and Clusters: Status and Strategy/March 2008*

- Innovative organizations like universities, research laboratories, and the R&D centers of private firms are critical; and how these organizations interact and share knowledge with one another is critical to cluster development. These interactions occur in networks, which make the transmission of both explicit and tacit information much more likely. Explicit information is the type shared through publications, meetings, etc. Implicit knowledge is the “shop floor” knowledge communicated as employees shift jobs.
- Entrepreneurship links research and innovation to the market. Connections with organizations that spur entrepreneurship such as financing, technical assistance, or specialized services (such as intellectual property protection specialists) within the region strengthen the cluster and make commercial success more likely.
- Size matters. Innovation is inherently risky. Most ideas will fail, so economic success is always easier in regions with large concentrations of research and innovation activities. Moving knowledge around also requires sufficient number of organizations and institutions (actually sufficient numbers of people) so that knowledge generation and commercial success become self-sustaining.
- Strong technology clusters contribute to company growth that in turn leads to the creation and retention of good jobs.

## **Maine’s Technology-Intensive Industry Clusters**

In 2013, MTI commissioned an updated analysis of Maine’ Technology Clusters in a report titled *Re-Examining Maine’ Economic Position, Innovation Ecosystem and Prospects for Growth in Its Technology-Intensive Industry Clusters*. The full report can be found at:

[www.mainetechnology.org/docs/Full\\_Report-Maine-Innovation-Ecosystem\\_final5.pdf](http://www.mainetechnology.org/docs/Full_Report-Maine-Innovation-Ecosystem_final5.pdf)

The report identified thirteen technology clusters in Maine at the time that the data was collected and analyzed. Applications targeted to strengthen clusters that build on these foundations will receive priority by MTI. Applicants are encouraged to review this study and draw on its analysis in the proposal where applicable.

The study also rates the relative performance of key cluster elements and provides some line of sight markets within these clusters that are poised for growth. Applicants should frame projects in ways that build on their cluster’s strengths and shore up weaknesses, or that encourage the development of additional high potential clusters beyond those listed. This should be proposed with the broadest possible strategic context for the cluster and clearly demonstrate the sustainability and impact of the activity for the cluster development.

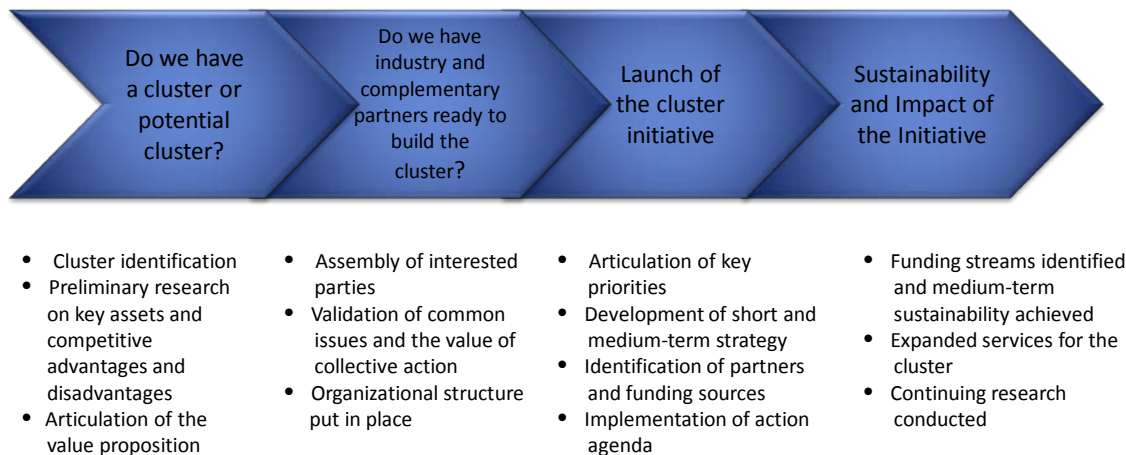
As further background, please refer to [www.mainetechnology.org](http://www.mainetechnology.org) for information on prior Cluster Enhancement Awards, Cluster Initiative Awards and other MTI programs.

## What is a Cluster Initiative?

A cluster initiative is an industry-led or guided effort to further the development and success of an individual cluster, thus leading to the growth of individual companies within the cluster. Examples of successful cluster initiatives include the development of a Sustainable Seafood program in Maine, with the Gulf of Maine Research Institute as the lead institution in a collaboration with industry leaders along every link in the supply chain, the development of the cleantech and renewable energy clusters through projects led by E2Tech and the Maine Composites Alliance, and the support for the composites industry through the development of the Composites Engineering Research Laboratory at Southern Maine Community College's Brunswick campus.

Cluster Initiatives can be at various stages of growth, as illustrated below, but should incorporate a few key elements to be successful.

## The Stages of Cluster Initiatives



Reynolds, MIT Industrial Performance Center

## Guiding Principles on Cluster Initiatives

- Private sector-led with strong partnerships
- Build on knowledge-based and value-added advantages
- Innovation can occur in a variety of ways: products, services, and business models
- Money is important but networks are more important
- Measure success/impact throughout

Reynolds, MIT Industrial Performance Center

### Links to Further Information

*Re-Examining Maine's Economic Position, Innovation Ecosystem and Prospects for Growth in Its Technology-Intensive Industry Clusters (2014 full report by Battelle Technology Partnership Practice)*

[www.mainetechnology.org/docs/Full\\_Report-Maine-Innovation-Ecosystem\\_final5.pdf](http://www.mainetechnology.org/docs/Full_Report-Maine-Innovation-Ecosystem_final5.pdf)

*Maine's Technology Sectors and Clusters: Status and Strategy (2008 full report by Maine Center for Business & Economic Research, University of Southern Maine)*

[www.mainetechnology.org/docs/colgan\\_cluster\\_report\\_2008\\_full\\_report\\_final\\_040908.pdf](http://www.mainetechnology.org/docs/colgan_cluster_report_2008_full_report_final_040908.pdf)

*Cluster & Cluster Development Information from Harvard Business School*

<http://www.isc.hbs.edu/competitiveness-economic-development/frameworks-and-key-concepts/Pages/clusters.aspx>

<http://clustermapping.us/content/clusters-101>

*Cluster & Cluster Development Information from Brookings Institution*

[http://www.brookings.edu/papers/2011/0119\\_clusters\\_muro.aspx](http://www.brookings.edu/papers/2011/0119_clusters_muro.aspx)

[http://www.brookings.edu/reports/2008/04\\_competitiveness\\_mills.aspx](http://www.brookings.edu/reports/2008/04_competitiveness_mills.aspx)

## PROGRAM DESCRIPTION

### Objectives of the Cluster Initiative Award Program

The Cluster Initiative Award Program aims to boost the strength and scale of Maine’s technology-intensive clusters, thereby expanding Maine’s innovation economy and contributing to the growth of the companies within the cluster.

Cluster Initiative projects should:

- enhance knowledge and skills in companies and related research, service and supporting organizations;
- strengthen networks or linkages among the organizations that spread the knowledge and skills;
- boost entrepreneurship and innovation in technology clusters across Maine.

Cluster Initiative Awards support Maine’s high-potential technology sectors and businesses by:

- increasing their infrastructure and leveraging this infrastructure to grow Maine companies;
- enhancing resources and connections between and among firms, service providers, research laboratories, educational institutions and other organizations;
- helping companies within the clusters access capital, talent and new markets.

## **Funding Opportunities and Types of Projects Encouraged**

MTI is seeking to support cluster initiatives that strategically advance the development of Maine’s high-potential technology clusters, or that spur cluster formation. Initiatives should draw on cluster experiences in Maine as well as other regions to employ best practices and avoid “reinventing the wheel.” They also should monitor customer and competitive needs to increase this type of market knowledge in the State.

Successful cluster initiatives build cluster capacity for innovation that has a strong likelihood of sustained commercial success. Activities should be planned and driven by the organizations and companies that comprise those clusters. Visionary business leaders should be at the center of such efforts. Teams are encouraged to develop or build on a strategic plan for their cluster and to consider submissions that have phased approaches and plans for sustainability at the end of the Cluster Initiative Program funding. Initiative strategies should be “demand-driven” rather than driven by the needs of one particular organization. Initiatives should be flexible, “bottom-up,” and collaboration-oriented, rather than prescriptive or “top-down” in their design.

Applicants seeking funds from the Cluster Initiative Program should keep in mind the following strategies that are applicable across all industry segments as a foundation for cluster initiatives. MTI funding can be used to enhance any of these identified areas as part of a strategic cluster initiative effort:

- Building technology networks specific to one cluster or related clusters – for example, topical workshops, or seminars, strengthening the capacity and sustainability of tech networks/trade associations and web sites and other platforms for information sharing.

- Decreasing distance to cut down on isolation between cluster participants and boost the identification of shared obstacles and solutions for them – for example, virtual presence and new media activities.
- Developing services that support the growth of an individual cluster or strengthen a capacity that is weak across multiple clusters – for example expertise on the definition of “green” products or resources to help early stage tech companies access the capital they need to grow – based on needs identified by the companies within the cluster.
- Making connections outside of Maine – for example forming and maintaining strategic collaborations with other parts of New England or Canada that will advance a cluster.
- Planning important infrastructure development – for example, capital plans for shared research and development facilities that will strengthen a Maine cluster’s competitive advantage.
- Addressing cluster weaknesses – for example, strengthening entrepreneurship, addressing the lack of knowledge transfer networks, boosting capital access and identifying or strengthening cluster production/distribution capabilities.

In addition, and from time to time, MTI may also invite proposals that are focused on a particular element critical to strong clusters in Maine. In such cases the project scope and content will be designed to encourage targeted applications for competitive review.

## **Eligible Applicants**

CIP awards are generally made to a primary organization that represents multiple project partners, including private industry partners, industry trade groups and innovative organizations like universities or research institutions. Examples of award recipients include trade associations, regional economic development corporations or non-profit research institutions representing a collaborative. It is rare for an award to be made to an individual consulting firm or individual private company.

## **Types of Awards**

### **Planning/Feasibility/Pilot Project Awards**

Awards up to \$50,000 per proposal may be made for smaller projects that seek to define an emerging cluster, identify and bring together leaders to consider how to collaboratively develop a cluster, craft an action plan to build or strengthen a cluster, test or pilot a particular activity or address other pre-major initiative information and needs. These awards are generally expected to be six to twelve months in duration, but could occasionally be shorter or longer. MTI will fund as many eligible high quality projects as possible based on the availability of funding.

Applications for these requests of \$50,000 or less are accepted at any time on a rolling basis and will be assessed based on the strength of the project and its potential to be followed by larger scale cluster development. Resulting awards will be announced no later than 60 days after receipt of a complete application.



## **Multi-Year Implementation Awards**

Awards up to \$500,000 per proposal may be made for projects that carry a high probability for **significant and sustainable** impact. Awards can span multiple years and be for sequential tasks if key project milestones are successfully completed. It is expected that many awards will be in the range of \$50,000 to \$300,000. MTI will fund as many high quality projects as possible based on the availability of funds.

MTI solicits multi-year implementation applications on a semi-annual basis, with application deadlines in March and October. Applications resulting from this solicitation will be reviewed competitively. Applications must be received by MTI no later than 5:00 pm on the deadline date posted on the MTI website. Resulting awards will be announced no later than 90 days after the application due date.

## **Matching Funds Requirements**

All Cluster Initiative Program Awards require a contribution of at least \$1 for every \$1 awarded by MTI. In addition to actual cash, salaries, staff time, equipment and overhead directly attributable to the project, whether in cash or provided as “in-kind,” can be considered matching funds. Examples of eligible in-kind matching contributions include: equipment that is pledged for use on the project, personnel time on the project that goes unpaid, or personnel who accept a reduced rate of pay. The quality and amount of matching funds will be an important consideration as part of the application evaluation and award determination, and cash match provided by companies within the cluster ranking highest in this evaluation.

## **Pre-Application Workshop/Meetings**

MTI will offer workshops and webinars to describe the Cluster Initiative Program (CIP) including eligibility requirements, the application, the competitive review and award approval process, and to address any questions. Workshop dates will be announced in conjunction with the notification of the application dates. Attendance at a workshop or webinar, or a one-on-one meeting or correspondence with MTI’s President or CIP Program Management Consultant, is a requirement for application submission. Attendance at earlier CIP workshops will carry forward, within reason, though applicants are required to fully read and review this Program Description and the current RFP since it will be updated periodically.

## **PROPOSAL INFORMATION**

### **Planning/Feasibility/Pilot Project Awards (up to \$50,000)**

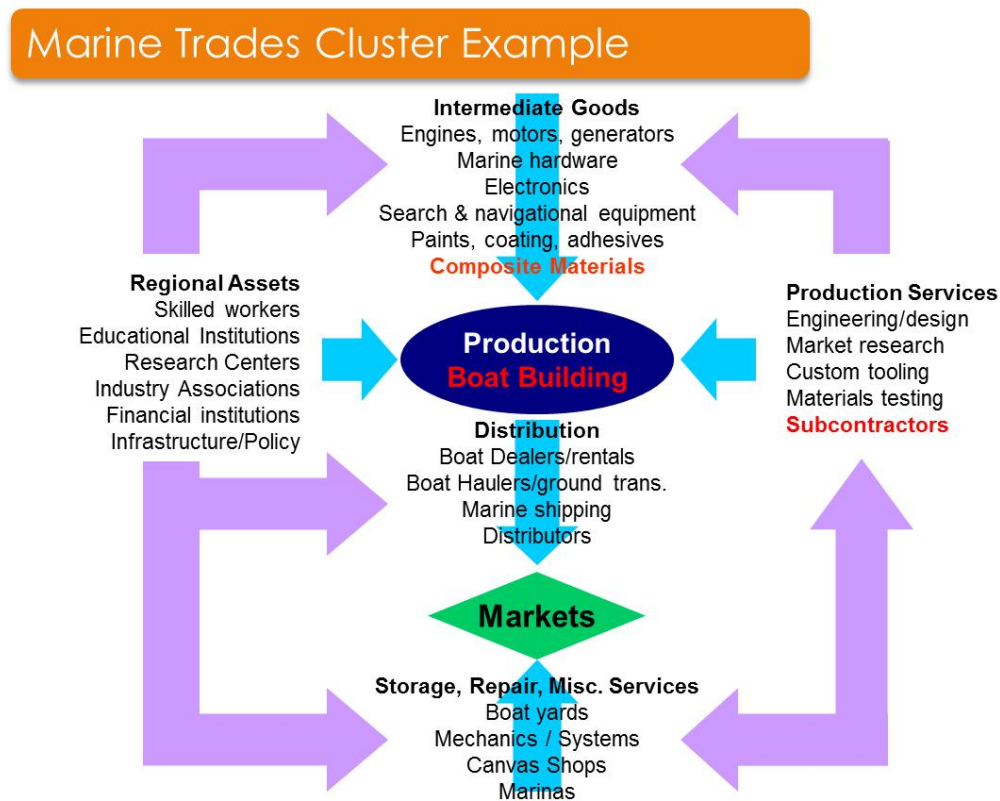
#### **Rolling Application: application content, review and award process and timeline**

#### **Application content**

The following should be addressed in the **project narrative** of a rolling application:

**Targeted Cluster:** Describe the cluster that your project will serve or organize and why, on a preliminary basis, you believe it is important to competitiveness and the state economy. Include a description of the geography in which you anticipate the cluster will operate (including elements outside of Maine if appropriate). Include specific data to back up assertions.

**Cluster Diagram:** Schematically depict the envisioned cluster showing the current institutions and organizations that comprise the cluster and the current state of collaboration as well as any new collaboration linkages that will be advanced by an award. Include companies identified, supporting organizations, suppliers and markets at a minimum. It is recognized that in early stage planning and feasibility study projects some of this understanding may still be in development. See the following example:



**Cluster Partnership Project Team and Degree of Collaboration:** Identify project team members, their backgrounds and related experience. Outline the partners involved in the project, how they will work together to implement the project, and what strengths they will bring to the effort. Describe any public-private partnerships, the number of companies and all individual cluster leaders. Detail the project’s management plan and the level of time and commitment coming from all the collaborating organizations. Clearly identify the lead entity and specific project leader including their skills. Projects with strong industry involvement (both financial

and leadership) are more competitive. Commitment letters should be included (see an example format in the Appendices and Application Forms Section, Form D).

***Project Impact Statement:*** Describe the need that your project seeks to address including background, the current situation and the targeted result. Discuss and document the project's importance to the existing or prospective cluster and include letters of support and participation from industry. Include specific data to back up assertions.

***Project Details, Activities and Timeline (Statement of Work):*** Describe your project plan and detail your approach to the task including phases. Clearly state the project deliverables, milestones and timelines. Please note that the goal of a planning/feasibility/pilot project should be an action plan or feasibility report that charts out practical next steps for building or strengthening a technology cluster in Maine. Often the project will position the effort to submit a competitive application for a multi-year cluster initiative award that significantly advances that cluster and benefits Maine's industry and economy. Clearly indicate areas or activities of participation by industry participants and expertise.

***Project Technology and Innovation Objectives:*** Review how your project seeks to take advantage of, develop and advance technology, skills and the knowledge necessary to develop the prospective cluster. For clusters, innovation is the process of commercializing new ideas that can lead to new products, services and processes, as well as new ways to organize activities and structure organizations. What is innovative about your project and how will it spur continuing innovation among participants?

***Financial Narrative:*** Include a financial narrative that explains why MTI funding is required to complete the proposed project and describes the plan for securing the matching funds as well as funds to complete the project and sustain activity beyond the term of the MTI award.

***Follow-on Activities and Project Evaluation:*** Outline plan for evaluating the project. How will you define success? Describe, assuming successful completion of the proposed project, what you expect will be the next step to further the cluster in Maine. If one of the follow-on activities is development of an implementation application, how will the proposed activities help you prepare a competitive application and address the required outcomes measurement?

## **Review and Award Process and Timeline**

***Step One:*** Applications will be reviewed by MTI for completeness. Only complete applications will be evaluated and the ultimate responsibility for completeness rests with the applicant.

***Step Two:*** All complete applications and their summaries will be forwarded to the CIP Review Committee made up of MTI Board of Directors, supported by outside experts as invited by MTI. The Committee will make a recommendation for each application on a competitive basis considering: the total funds available for award, the experience and caliber of the collaborating organizations and individuals, the importance of the cluster to Maine, the importance of the project to the cluster, the quality and clarity of the application, the prospects for measurable

impact and other appropriate factors. Each proposal will be confidentially evaluated based on content. The result of this step will be a recommendation to the MTI Board of Directors whether to fund the project, based on the written application and review.

**Step Three:** At its subsequent meeting, the MTI Board will make a funding decision based on the availability of funds and the most strategic investments for developing Maine's technology clusters. All applicants who submitted proposals will be formally notified by MTI of review results.

## **Implementation Awards**

### **Bi-Annual Application: Application Content, Review and Award Process and Timeline**

#### **Application Content**

The following should be addressed in the **project narrative** of a bi-annual, implementation application:

**Targeted Cluster:** Describe the cluster that your project will strengthen or organize and why it is important to competitiveness and the state economy. Please include data on types and numbers of companies and employment, if available. Also include a description of the geography in which the cluster operates (including elements outside of Maine, if appropriate). Include specific data to back up assertions.

**Cluster Diagram:** Schematically depict the cluster, as it exists or as it will emerge, showing the current institutions and organizations that comprise the cluster and the current state of collaboration as well as any new collaboration linkages that will be enhanced by the award. Include companies identified, supporting organizations, suppliers and markets at a minimum. See the example on page 10.

**Cluster Partnership Project Team and Degree of Project Collaboration:** Identify project team members, their backgrounds and related experience. Outline the partners involved in the project, how they will work together to implement the project, and what strengths they will bring to the effort. Detail the project's management plan and the level of time and commitment coming from all the collaborating organizations. Describe any public-private partnerships, the number of companies and all individual cluster leaders. Clearly identify the lead entity and specific project leader including their skills. Specify any missing partners as depicted in the cluster schematic and explain how this gap will be filled. Projects with strong industry involvement (both financial and leadership) will be most competitive. Commitment letters should be included (see an example format in the Appendices and Application Forms section, Form D).

**Project Impact Statement:** Describe the need that your project seeks to address including background, the current situation and the targeted result. Discuss and document the project's

importance to the served cluster and **include letters of support and need from industry**. Are there any past initiatives or alternative approaches that relate to this project? Are there past MTI program awards that were important to the genesis of the proposed project? Discuss the impact the project expects to have on the companies participating in the project and in the cluster.

***Project Details, Activities and Timeline (Statement of Work):*** Describe your project plan and detail your approach to the task including phases. Clearly state the project deliverables, milestones and timelines. Clearly indicate areas of participation by industry participants and expertise. Provide clear details so reviewers understand **what** will be accomplished with the project.

***Project Technology and Innovation Objectives:*** Review how your project will take advantage of, develop and advance technology, skills and the knowledge necessary to develop the targeted cluster. For clusters, innovation is the process of commercializing new ideas that can lead to new products, services and processes, as well as new ways to organize activities and structure organizations. What is innovative about your project and how will it spur continuing innovation among cluster participants? Define the innovation objectives for the cluster that you expect to obtain if the project is successfully executed.

***Project Scale, Breadth and Sustainability:*** Describe the expected impact of the project advancing the cluster in Maine, including how it will benefit Maine companies, job creation/retention, and/or business attraction across the State. Use the potential impacts listed in the table of Form E to inform the discussion in this section. Discuss the business model and sustainability of the effort, resulting activities and lead organization. Be specific.

***Project Outreach Plan and Transferability:*** Describe your plans to disseminate information on the project's progress and results within the cluster and also to other industry clusters in Maine. How will you share your experiences and the lessons learned?

***Financial Narrative:*** Include a financial narrative that explains why MTI funding is required to complete the proposed project and describes the plan for securing the matching funds as well as funds to complete the project and sustain activity beyond the term of the MTI award.

***Results Measurement:*** Describe what you will use and how you will measure results for your project, both at its completion and each year thereafter for five years. What will define success? Please be specific. How is this evaluation effort incorporated into project milestones and deliverables? Award recipients are asked to maintain economic growth measures on companies within the cluster as evidence of success of the cluster initiative project. Details will be available as part of the contract execution process.

## **Review and Award Process and Timeline**

***Step One:*** Applications submitted before 5:00 p.m. on the application due date will be reviewed by MTI for completeness. Only complete applications will be evaluated and the ultimate responsibility for completeness rests with the applicant.

**Step Two:** All complete applications and their summaries will be forwarded to the CIP Review Committee made up of MTI Board of Directors, supported by outside experts as invited by MTI. The committee will make a recommendation for each application on a competitive basis considering: the total funds available for award during the current round, the experience and caliber of the collaborating organizations and individuals, the importance of the cluster to Maine, the importance of the project to the cluster, the quality and clarity of the application, the prospects for measurable impact, the sustainability of the effort, and other appropriate factors. The result will be a designation of “recommended for an interview” or “not recommended for an interview” for each application reviewed. Each application will be confidentially evaluated based on content (see the CIP evaluation sheet on MTI website for reference).

**Step Three:** Applicants recommended for interview will present their project, in person, to the MTI Board Program Review Committee. Interviews are tentatively scheduled for the morning of December 8, 2014, so all applicants should save that date for a potential interview. Invited applicants will have approximately 40 minutes to present their project and answer questions. The Review Committee will then make a recommendation to the MTI Board, based upon the written application review and interview. Upon review of all recommended applications, the MTI Board will consider projects on a competitive basis and take appropriate action based, among other things, on the availability of funds and the most strategic investments for developing Maine’s technology clusters. Once award decisions are made by the MTI Board, all successful applicants, as well as unsuccessful applicants, will be formally notified by MTI.

## **APPLICATION SUBMISSION AND GUIDELINES**

Applications for both rolling and implementation projects follow the guidelines outlined in this section. If you have any questions, please contact MTI at 207- 582-4790, or Martha Bentley at [mbentley@mainetechnology.org](mailto:mbentley@mainetechnology.org).

The full application must be prepared according to the format described below using standard size paper (8 ½ x 11”), single-sided. Type size must be no smaller than 12 point font; there must be 1-inch margins on each page. Late submissions will not be accepted. Electronic submissions may be sent via pdf attachment to Patti Sutter, Program Assistant: [psutter@mainetechnology.org](mailto:psutter@mainetechnology.org).

The Fall 2014 funding cycle for implementation applications has an application deadline of October 20, 2014, and an award announcement date of January 13, 2015. **Applications must be received by MTI no later than 5:00 p.m. on October 20, 2014** either by submitting via pdf as an email attachment or by delivery to the MTI office in Brunswick. E-mailed applications should be followed by a mailed original cover sheet with original signature.

All applications must contain the following items:

***Please mark all pages containing proprietary or sensitive information as “CONFIDENTIAL.”***

1. Completed and signed application check list (Appendix A): Please insure everything is included with your submission. Note here if anything is missing.
2. Cover Sheet = FORM A: Using the form provided, please fill in all appropriate fields (Appendix B).
3. Non-Confidential Project Summary: In one paragraph, not to exceed 50 words, please describe your project including the applicable cluster(s) and the primary goals which your collaboration seeks to achieve. Project summaries should contain no proprietary or confidential information, because they will be used for press releases and other requests for information about the Cluster Initiative Program.
4. Non-Confidential Executive Summary: Not to exceed 2 pages. Please summarize your project so that the scope and intent of your proposal is clear including the deliverables and statement of economic impact.
5. Application Information:
  - a. Project Plan Narrative: {Not to exceed 10 pages for a rolling application ( $\leq$ \$50,000) or 20 pages for an implementation application ( $\leq$ \$500,000).} Please provide your overall project plan addressing all of the key areas as outlined in the application content section of this RFP document. Please note that information will be treated as CONFIDENTIAL, if so marked.
  - b. Milestones = FORM B (Appendix C): Based on the information supplied in your project plan, use the form provided to summarize the project's major milestones **chronologically**, including target start and completion dates (you may add rows or change box sizes if required). Please tie each milestone to its corresponding line items in the budget. Expenditures within project milestone periods should be identified, and correspond to budget categories indicated on the Budget, Form C (Appendix D).

*Note: Project milestones are critical points during the project on which other advancements depend with endpoints and deliverables defined. MTI grant payments will be contingent on successful completion of project milestones. The numbers of milestones typically vary from 2 to 5, depending on the size, complexity and length of a project.*

***Timelines should not overlap.***

- c. For Implementation Applications only: Economic Impact Form = FORM E (Appendix E): Please quantify projected economic impacts by completing the Economic Impact Table. In columns 1, 2, and 3 provide specific numbers, figures or brief explanatory phrases to indicate which of the identified economic impact measures are applicable to your project. In column 4, provide in brief explanatory phrases the methodology used to arrive at figures in columns 1, 2 and 3. Applicants are not expected to have a figure for each measure, but competitive applicants will be able to assess more than one or two measures. The information provided in this form should mirror the information

provided as results in project reports during project and for the five years following project completion.

6. Budget = FORM C: Using the form provided (Appendix D), please detail expenditures from each source required to complete this project (You may add rows or change box sizes if required). You may attach up to 2 additional pages of budget narrative to explain and justify indicated expenditures. Please see Appendix F for further guidance on budget and matching guidelines.
7. Financial Statements: If available, the applicant must provide historical balance sheets and profit and loss statements for the two years preceding this proposal. If not available, please explain. Applicant is also encouraged to submit financial projections for the upcoming fiscal year to demonstrate financial stability of the applicant organization and sustainability of the effort.
8. Commitment Letter(s) = FORM D: Please provide signed letters of commitment for all match funding that has been secured to date. Be sure each letter indicates the amount of the commitment and notes the project for which the funds will be used. Also include a letter of explanation for any match funding that is not yet secured but important to your project. You may use and **modify** the sample letter provided as a template for your commitment letters (Appendix G).
9. Project Participant Biographies: Please provide up to one page biographies for all key project personnel or participants. Application must include a biography for any individual being paid from the project budget, either MTI or matching funds.
10. Supporting Documentation (OPTIONAL): Up to ten (10) additional pages of letters, articles or other documentation that supports and strengthens your application may be submitted. You are encouraged to submit letters of support from private sector companies representing your targeted industry and other key supporting stakeholders and organizations.

## **Appeals Process**

MTI's standard appeals policy will govern the program. As per this policy (which is posted on MTI's website), any individual or organization wishing to appeal an award decision must contact the MTI President or any member of the MTI Board of Directors in writing by mail or email within 5 (five) business days of receiving the declination letter. The rationale for the appeal must be spelled out clearly. Information not included in the original application or proposal will not be considered as part of the appeals process. Read more about MTI's appeal process here: [http://www.mainetechnology.org/docs/appeal\\_policy.pdf](http://www.mainetechnology.org/docs/appeal_policy.pdf)

## **AWARD CONTRACT AND RECIPIENT'S RESPONSIBILITY**



Successful applicants will be required to enter into a contract with MTI which will include, as a minimum, the following attachments: the application, budget details, project milestones and timeline. Applicants have up to six months from the date of their award to solidify their matching funds commitment and sign a contract with MTI, or the award may be forfeited. In the event the funds will be used to purchase equipment over \$10,000, MTI may require a security agreement related to such equipment. Award funds are disbursed in advance on a milestone basis. The recipient is responsible for sequestering the funds and using them only as required and allowed for in the project. MTI reserves the right to delay, or terminate projects for failure to achieve mutually agreed upon milestones.

## **Reporting Formats and Meeting Attendance Requirements**

The award recipient is required to regularly report on the project progress and submit a full written report and meet with MTI as each milestone is due and at the completion of the project, and on a semi-annual basis for milestones lasting more than six months. Any request for changes to the project scope, milestone date(s) or project duration must be formally made to MTI and approved.

As a condition of the award, and from time to time, the recipient and project collaborators agree to meet with MTI and other Cluster Initiative Program Award teams to discuss their experiences and share information aimed to facilitate learning. Upon completion of the project, the award recipient(s) will be required to submit a final report. Award recipients may be invited to present their final report to MTI and will also be asked to submit an annual written update on their project, including measured factors and impact, for a five year period.

The recipient will also be required to provide information annually on project progress for the independent evaluation of the Cluster Initiative Program during the project and for five years after the project. This may take the form of an annual online survey or a telephone or in-person interview. In addition, recipients are required to maintain aggregate metrics data on the growth of companies within the cluster such as annual revenues and growth rate over prior year, total number of customers, annual gross payroll, total number of full-time equivalent employees, invested capital (Note: "Invested capital" includes the sum of stock sales (common or preferred), debt financing (promissory notes or convertible debentures), and contributions or advances from partners or the like.), total number of investors (Note: Investors include any of the parties who have contributed company funding to date, including banks or other financiers.)

# Appendices and Application Forms

*Application forms are also available as MS Word or Excel documents on the MTI website:*

**<http://www.mainetechnology.org/fund/cluster-initiative-program>**

## APPENDIX A: Application Checklist

### APPLICATION CHECKLIST

- Completed and signed Application checklist (this form. Check each item and turn in with application.)
- Form A, Cover Page with signature
- Non-Confidential Summary,  $\leq 50$  words
- Non-Confidential Executive Summary  $\leq 2$  pages
- Project Plan Narrative,  $\leq 20$  pages (implementation award) or  $\leq 10$  pages (rolling award)
- Form B, Milestone Summary
- Form E, Economic Impact Projections Table (implementation award applications only)
- Form C, Budget Form and Budget Narrative  $< 2$  pages exclusive of form
- Historical Financial Information and Financial Projections (projections optional)
- Form D, Commitment Letters
- Team Biographies
- Supporting Documentation – OPTIONAL,  $\leq 10$  pages

Please list any missing items and reason:

Submitted by : \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX B: Application Cover Page**

**FORM A = MTI Cluster Initiative Program Cover Page.** Please fill in each required field, sign and include with application. If emailing as an attached pdf, please mail the original page with signature to: Maine Technology Institute, 8 Venture Avenue, Brunswick Landing, Brunswick, ME 04011.

<b>Project Title (&lt; 50 characters):</b>	
<b>List Project Cluster:</b>	
<b>Technology Sector(s) that will most benefit from your proposal (check all that apply):</b>	
<input type="checkbox"/> Advanced Technologies for Forestry and Agriculture <input type="checkbox"/> Composite Materials Technology	
<input type="checkbox"/> Aquaculture and Marine Technology <input type="checkbox"/> Precision Manufacturing Technology	
<input type="checkbox"/> Biotechnology <input type="checkbox"/> Environmental Technology <input type="checkbox"/> Information Technology <input type="checkbox"/> Other	
<b>Type of work proposed:</b>	
<input type="checkbox"/> Collaborative Research Facilities <input type="checkbox"/> Collaborative Infrastructure and Equipment <input type="checkbox"/> Standards	
<input type="checkbox"/> Information or Technical Resources <input type="checkbox"/> Business or Technical Training <input type="checkbox"/> Network Building	
<input type="checkbox"/> Supply Chain Development <input type="checkbox"/> Attraction of Capital <input type="checkbox"/> Other	
<b>Recipient Organization and Principal Contact:</b> This organization will receive funds if an award is made and the listed person will be the point of contact and have project management responsibilities.	
Recipient Organization:	Business Tax ID #:
Primary Contact:	
Organization Address:	
E-mail Address:	
Daytime Phone Number:	Other Phone Number:
<b>Other Principals:</b> Please list other primary personnel and/or organizations involved in the project, along with their business affiliations.	
Name / Title / Affiliation:	
E-mail Address:	
Name / Title / Affiliation:	
E-mail Address:	
Name / Title / Affiliation:	
E-mail Address:	
Name / Title / Affiliation:	
E-mail Address:	
<b>Award Amount Requested:</b>	
<b>Matching Fund Amount and Source(s):</b>	
<b>SIGNATURE:</b> By signing this application, I certify that all information contained herein is complete and accurate to the best of my knowledge. I agree to accept responsibility for the conduct of the project and to provide the required progress reports if an award is made.	
_____	
Principal Contact / Title	Date

**APPENDIX C: Application Milestone Form**

**FORM B: Milestone Summary.** Please summarize the major project milestones including the target start and completion dates, and the corresponding budget items and costs. Milestones should be listed chronologically and may have multiple tasks. Milestones should not overlap.

<b>Milestone #</b>	<b>DESCRIPTION</b>	<b>START</b>	<b>Projected END</b>	<b>Corresponding Budget Items and projected cost</b>	<b>Deliverables</b>
1					
2					
3					
4					
5					

**APPENDIX D: Application Budget Form**

**FORM C: Detailed Budget and Justification.** Please provide the amount and a description of each expenditure required for the proposed project. Use up to two pages on separate paper to explain and justify, as required, all indicated expenditures.

DESCRIPTION	IN-KIND COMMITMENT	CASH COMMITMENT	MTI CASH	TOTAL BUDGET
<b>SALARIES/WAGES/BENEFITS</b> (indicate % effort and names)				
<b>EQUIPMENT OVER \$2000:</b> (Amortized or rental value of equipment. Itemize such equipment below.)				
<b>CONSULTANTS &amp; SUBCONTRACTORS:</b> (Provide a brief description below, including hourly rates and anticipated hours for each.)				
<b>OTHER COSTS:</b>				
Materials & supplies (attach itemized list if over \$2000)				
Travel (attach itemized list if over \$2000)				
Indirect Costs (up to 20% of total project costs)				
Other (attach itemized list if over \$2000)				
<b>TOTALS:</b>				

**APPENDIX E: Economic Impact Table**

**FORM E—Economic Impact Measures Table**

	Column 1	Column 2	Column 3	Column 4
	Within applicant organization	Within individual participating companies	Within overall cluster, sector or industry	Methodology or citation for economic projections
Projected number of new jobs created and wage range				
Projected number of existing jobs preserved and wage range				
Anticipated new products and/or services (number and/or one sentence description)				
Anticipated number of invention disclosures, licenses, and/or intellectual property protections				
Projected amount in new sales or licensing revenue				
Projected dollar amount in new grants and/or contracts from non-state government sources				
Projected dollar amount in debt or equity investments from private capital sources				
Other (joint ventures with businesses outside Maine, businesses moving to Maine, workforce training & development)				

## APPENDIX F: Budget and Matching Fund Guidelines

### Budget Guidelines

Salaries/Wages/Benefits -All salaries/wages, whether cash or in-kind match or paid with MTI funds, must be the actual pay rate, or must NOT exceed the mean hourly wage rates compiled by the US Department of Labor under the National Occupational Employment and Wage Estimates ([http://stats.bls.gov/oes/current/oes\\_stru.htm](http://stats.bls.gov/oes/current/oes_stru.htm)). A reasonable rate based upon the current market within Maine is expected. Salaries should reflect fully burdened rate.

Consultants - If a rate is above \$50 per hour, please provide documentation proving average historical fees at a different rate.

Indirect Costs - Costs detailed elsewhere, such as supplies and other direct costs, are not also counted in the indirect rate. Allowable indirect, whether paid with MTI funds or counted as match is limited to **no more than 20% of total project cost. In addition, no more than 20% of the overall MTI portion of the budget may be counted as indirect.**

### Matching Funds Guidelines

Applicants should use the following matching funds requirements to govern the identification and use for Project expenditures.

1. Other MTI or Maine state government funds, except for state funds appropriated to higher education institutions' operating funds or Maine Economic Improvement Funds, are not eligible as matching funds for the Cluster Initiative Program awards.
2. The requirement of matching funds may be satisfied by the following:
  - A. Matching Funds are defined as monetary expenses for allowable costs incurred by the award recipient as an integral part the activities described in the application, as amended, during the term of this Project. This includes monetary resources contributed directly to the Award recipient or to a parent organization by a third party for support of the Award recipient and used in furtherance of the Project.
3. General Conditions and Restrictions:
  - A. Commitments of financial support included as part of the Project's Matching Funds must occur after the date of application submission.
  - B. Qualifying expenses relating to the proposed project may be incurred any time after the application submission. Pre-award expenditures are made at the applicant's risk. It is possible that portions or the entire project may not be funded.
  - C. Other forms of Matching Funds support not described within this exhibit may qualify as Matching Funds. All financial support not described within this exhibit must have prior MTI approval. The Award recipient must submit a request for approval of other forms of



Matching Funds and receive written approval from MTI prior to reporting the contribution into the Project as Matching Funds. Acceptance of such Matching Funds not described within this exhibit is at the discretion of MTI and will be determined on a case-by-case basis. MTI reserves the right to alter these guidelines at any time. Changes to the Matching Fund Guidelines will be effective upon notice to the Award recipient.

- D. Matching Funds may not count towards satisfying a Matching Funds requirement of an award if the Matching Funds have been, or will be, counted towards satisfying a Matching Funds requirement of another award of state funds.
- E. Standards for third party Matching Fund contributions:
  - 1.) Valuation of third party matching fund contributions:
    - a.) Donated supplies or materials are supplies or materials donated to the Project by a third party. The contribution will be valued at the market value of the supplies or materials at the time of donation.
    - b.) Donated use of equipment or space occurs when a third party donates the use of equipment or space in furtherance of the Project. The contribution will be valued at the fair rental rate of the equipment or space.
    - c.) Donated equipment, buildings, and/or land are real and personal property donated by a third party in furtherance of the Project, where title passes to the Award recipient. The contribution will be valued using the fair market value of the property at the time of donation.
      - a.) Valuation of hours put into project by consultants that receive NO dollar payment for work (i.e. working pro bono); the hourly rate for a consultant is \$50 unless consultant provides documentation proving historical fees at a different rate.
- F. Documentation of Matching Funds must include the company or institution name, address, the value of the Matching Funds, and the method of valuation. The Award recipient is to retain a letter of commitment or agreement signed by an authorized official of the contributing member and by the Award recipient.
- G. The Award recipient must maintain documentation sufficient to verify all reported Matching Funds. This documentation must show how the value of costs and contributions were calculated.
  - 1.) Fair market rentals for use of equipment or space or fair market values of donated equipment, space, or land will be supported by price quotations from one or more vendors or by appraisals performed by an independent appraiser.

H. Certification of Matching Funds:

- 1.) The method and frequency of reporting Cash Matching Funds will be specified in the Award Agreement.
- 2.) An itemized listing of eligible Matching Funds attributed to the Project during the Award Period is to be included in the Matching Funds reporting, as specified in the Award Agreement.

## APPENDIX G: Sample Commitment Letter

**FORM D: SAMPLE COMMITMENT LETTER:** You may copy and modify this letter by replacing all italicized words with information relevant to your proposal.

*Company Letterhead*

Date

Maine Technology Institute  
8 Venture Avenue  
Brunswick Landing  
Brunswick, ME 04011

Dear MTI,

This letter represents a commitment by *Company name* to provide \$\_\_\_\_\_ in matching support for the Cluster Initiative Program Award project entitled, "*Project Title.*"

Of this support, \$\_\_\_\_\_ is a cash payment to carry out the work on this project. We are also providing \$\_\_\_\_\_ of support in the form of salaries, use of equipment, materials and other services devoted to this project. All support is provided for the Maine Technology Institute-funded project, beginning *insert date*, and ending *insert date*. Payments will be made according to the following schedule:

*Please describe payment or service schedule.*

Our company agrees to abide by the MTI contract that will be finalized after application award approval.

Sincerely,

(Signature)

(Name)

(Title)