

Alliance for the Marine Economy Capital Grants Program
Round One
Questions and Answers for Applicants
Rev: 5.4.17

MTI offers these answers in an effort to provide a general interpretation of the Request for Proposals (RFP) for Round One. MTI cannot guarantee that the general responses will apply in the case of each individual project; when there is a contradiction, the RFP will rule. Please refer back to the Q&A periodically as MTI will be updating the answers and adding additional questions and answers until May 12, 2017.

Topic Areas:

- Letter of Intent
- Eligibility
- Matching Funds
- Interviews
- Application and Review Process
- Application
- Contract Administration
- RFP Interpretation

Letter of Intent Questions

1. Is there a weeding out process at the Letter of Intent stage?

No, the Letter of Intent will be used to help applicants determine the appropriateness of their project for this funding opportunity. The letters received will also help MTI secure appropriate reviewers as well as to help MTI plan for the administration of the remainder of the review process.

2. Will anyone outside of the MTI staff see the content of the Letter of Intent?

The Letter of Intent are considered public information for the purpose of letting potential applicants know of other applicants with whom they may choose to collaborate on a proposal. The Letters will also be seen by the Program's core committee made up of members from MTI, Coastal Enterprises Inc., the Island Institute, Gulf of Maine Research Institute and Maine Aquaculture Innovation Center

3. In the final application, can we exceed the amount of funding we said we thought we would pursue in the letter of intent or is the number in the letter of intent binding?

The amount requested in the Letter of Intent is not binding.

4. Can an entity apply without filing a Notice of Intent?

Yes. The Letter of Intent is optional.

5. What if we do not want to disclose identity of all partners in the Letter of Intent for competitive reasons?

If an applicant does not want to publicly identify a Collaborator on the Notice of Intent form, they should either list the collaborator in general terms or not include it in the Letter of Intent. Collaborators should be identified in the submitted application.

Eligibility-Related Questions

6. Would repair of an existing structure, like a fishway, qualify for funding?

Infrastructure improvement, including infrastructure owned jointly, by a municipality, or a non-profit, is an eligible expense. So, repair to a fishway could be eligible. To be competitive, the project would need to outline how the project met program priorities outlined in the RFP and also the economic impact. Please see page 2 of the RFP for the program priorities and page 7 for the evaluation criteria.

7. Would a collaborative project between a non-profit organization with strengths in grant and project administration, and multiple companies with interests in similar technologies fulfill the concept of collaboration?

Although the above example would serve to show organizational administrative abilities and clearly serve as a collaboration, the applicant would still need to demonstrate the benefits of the collaboration to the effort.

8. Can a shared capacity on a computing cloud be funded? For example, can an applicant purchase a guaranteed level of computing capacity over a specific time frame, rather than purchasing, installing and maintaining its own computer servers?

No. Shared capacity on a computing cloud is not considered an eligible capital expense.

9. The lowest award amount is \$25,000. Are smaller projects disadvantaged because they may have less economic impact?

Applicants will want to weigh the time and costs of applying for an award alongside other relevant funding programs. All applications are evaluated on the same criteria.

10. For the value of collaboration...do collaborators need to be on board and identified as part of application?

Collaborators do need to be identified as part of the application, and level of commitment does need to be discussed in the body of the application. All details of collaborative agreements do not need to be in place at the time of application, but will need to be agreed to as part of the award contract negotiation.

11. May a collaborative partner be out of state (but the assets will be in Maine)?

Yes, a collaborating institution may be out of state, but the applicant must be within the State, or have plans to establish a presence within the State before signing an award contract, and any award-funded assets must remain in Maine.

12. Can an applicant be a foreign-based company?

To be considered a Maine-based business, the business must have a significant place of business in the State of Maine, be registered with the State to do business in Maine, and maintain physical operations in Maine managed by a full-time senior representative of the

organization or business. All applicants must demonstrate a long-term commitment to the State of Maine.

Out-of-state businesses that can demonstrate a relocation or establishment of a primary place of business in Maine at the time of award decisions are eligible to apply for funding. Out-of-state businesses must have a significant operational presence in Maine at the time of signing an award contract agreement (which must be signed within 6 months of award decision by the MTI Board).

13. What has to be new and innovative? It seems like the money is for capital assets.

The program funds capital expenditures supporting innovations within the marine economy that lead to significant economic benefits in Maine. The investment must be associated with a project that can be evaluated for its economic impact.

14. Does the Capital Grants Program cover software and hardware?

Computer equipment with a useful life of a year or more is an eligible use of program funds.

Related question: “Can highly specialized analytical and simulation software packages that will be capitalized and depreciated as assets be purchased with Capital Grants Program funds?”

Answer: “Because the bond funding can be used for capital equipment with a useful life of at least one year, this software would qualify.”

15. Can a company submit multiple applications if we are building in several different areas?

Yes, a company may submit multiple applications. Those doing so will need a letter from the institution addressing how the project fits within the overall institution’s strategic business development plan, and verifying its ability to manage multiple projects simultaneously.

16. What is the difference between this fund and other MTI funding programs like a Cluster Award or a Development Loan?

A cluster award is for an industry-led project that ultimately benefits many Maine companies in a particular sector, and the funds can be used to cover both capital and operating expenses. A development loan is for research and development leading to commercialization of a new product, service or process improvement by one company. It can be used for both capital and operating expenses and has an upper limit of \$500k. It is possible that a Capital Grants Program Award could support a portion of a project that is also supported by another MTI program, as long as the applicant is still matching at least 50% of the request with their own funds.

17. Do all the “legal dealings” between collaborators (for IP ownership, etc.) have to be completed before application is due?

No. All legal relationships between collaborators do not have to be completed before the application is due, but would need to be resolved before an award contract is executed. Potentially, completion of all legal agreements could be made a condition of award.

18. Is collaboration between for-profit and non-profit companies acceptable?

Applicants are encouraged to collaborate with other entities to produce the strongest application to promote economic impact.

19. What components of IT infrastructure are considered as capital expense? (IT infrastructure may include servers, software purchase, custom software development, and graphic user interface development)

Computer equipment with a useful life of a year or more is an eligible use of program funds. Custom software purchase/development integral to the project would also be eligible.

20. Can a quasi-municipal entity be the lead applicant?

Yes.

Matching Fund Questions

21. How do we handle difficulties such as not being able to get a commitment out of a government office?

Applicants have six months from the award approval date to secure and document all sources of matching funds. Applicants may have matching sources identified but not yet committed at the time of application.

22. Can venture capital be used as match? What if they pull out or others get in?

Venture capital can be indicated as match on the application in the budget and as evidenced in letters of interest or intent, as described in the RFP. Changes in matching fund sources that develop during the life of the project will be governed by the award agreement contract and dealt with on a case-by-case basis.

23. If existing equipment is going to be transferred to the project, can its value be counted as matching fund? Similarly, can the value of an existing laboratory used for the project be counted as matching funds?

Because the intent of the bond is to leverage new dollars, existing equipment or laboratory space would not be eligible as match.

24. Does all of the matching contribution have to be in cash?

The RFP addresses matching funds issues in appendix 2. Matching funds must be cash. Cash includes the time of employees of award recipients and collaborative partners, since when employees are paid money changes hands. These amounts must be consistent with the underlying salary and obligations of the employees. Matching fund contributions can only be considered as cash if the contribution appears on the balance sheet of the recipient at fair market value.

25. How closely related to the project do outside sources of matching funds have to be?

Matching funds should relate directly to the proposed project. Applicants should not use grants for other non-related projects as matching funds.

26. A project period may extend up to five years. Do match funds have to be spent concurrently with awarded funds or may they be spent primarily in later years, for example as operating support, if ultimately we do meet the 50/50 match requirement?

Matching funds do not have to be spent concurrently with awarded funds, but must be verified as spent by the end of the agreed upon award period.

27. Is the matching funds requirement over entire company or overall project?

Matching fund basis is for the actual project for which funds are requested, not the entire company.

28. Do matching funds have the same restrictions as bond funds?

No. Matching funds do not have to be for capital expenditures, but can be for operating expenses related to the project. Expenses directly attributable to the proposed project may be counted as matching funds. Matching funds may be used to fund project activities as well as a portion of the capital expenditures enable by the award.

29. Can state funds be used as matching funds?

Yes, for up to 50% of the matching commitment. Maine state government funds are eligible as matching funds for up to 50% of the required 1-to-1 or 2-to-1 matching requirements of the RFP. This does not mean that State agencies or other state funders must accept Marine Capital Grants Program awards as match for their own requirements.

30. Can matching funds be retroactive for a period of time? For example, if a company has already invested time and expenses for a project can these be used as matching funds?

Qualifying expenses relating to the proposed project may be incurred anytime after the date of application submission and be used as matching funds. Likewise, funds in hand, but unspent at the time of application submission, may be used as matching funds if subsequently used for a project-related purpose as per the approved project budget. Pre-award expenditures are made at the applicant's risk.

31. Can a State agency contribute federal funding they receive towards the project and count it as match?

An applicant may use federal funds, such as Community Development Block Grants (CDGB), for matching funds as applicable to the project.

32. What percent of in-kind can you use as a match?

Matching funds must be cash. The time of employees of award recipients and collaborative partners is considered cash (since when employees are paid, money changes hands), but the proposed cash match must be consistent with the underlying salary and obligations.

33. Is the match for non-profits the same as for-profits?

The matching funds requirement is the same for all applicants.

34. How is the quality of match assessed?

Quality of match will be evaluated as part of two of the criteria – team and resources for the project, and quality of budget. Reviewers will consider elements such as whether match is new or re-directed existing funding. Collaborations with cash match contributed by collaborating partners will score higher as the cash match typically indicates a stronger collaboration.

35. Can Federal CRADAs be used as match, especially with researchers outside the state of Maine?

CRADAs may be used as match per the RFA Matching Funds Guidelines.

36. Can the costs associated with the operation of the pilot processing plant in support of a project be used as matching funds?

Yes, as long as the costs can be documented per the RFA Matching Fund Requirement Guidelines in Appendix 2.

37. What is the time frame for spending matching funds?

The matching funds must be spent by the end of the agreed upon award period. The maximum award project time frame is 5 years.

38. Can supplies and raw materials be used as matching funds?

Yes, per the RFP under “Other Direct Costs”.

39. If the funds will be used for the construction of a new building to build a prototype product, can the expenses associated with building the first prototype be counted as match?

Yes, expenses related to building the prototype may be counted as matching funds.

40. Question: “Is more than the required match acceptable?”

Yes. The project budget should reflect the costs associated with successfully implementing the project, which means the match may exceed the amount requested from the Program.

Interview Questions

41. Are the discussions with the interview panel open to the public?

No.

42. Is there a list of who the interview panelists will be?

Panelists will be selected once the applications have been received. Background information for review panelists will be available the day of the scheduled interview.

43. Who will be able to participate in the interview, just one individual representing a company or organization, or several people?

Applicants participating in the interview stage of the review process may bring as many as five people. MTI also reserves the right to request that certain individuals be present or available for the interview.

Application and Review Process Questions

44. Who provides the nondisclosure form?

All reviewers will be asked to sign MTI's conflict of interest and confidentiality agreement forms.

45. Will the MTI Board of Directors adjust the amount of the award?

MTI reserves the right to fund any proposal in full or in part based on the review of the proposal and the amount of funds available.

46. Can MTI staff look over my draft application for objective guidance?

MTI staff members are available to answer questions pertaining to the application and the application process, but will not review draft applications. The time for getting feedback is at the Letter of Intent stage.

47. Will MTI use reviewers from private industry?

Reviewers have a combination of education and experience necessary to evaluate each application. MTI will draw from the Alliance for the Marine Economy, the Marine Technology and Aquaculture Technology Board, and experts from outside Maine as needed. The existing network of experts includes researchers in related areas of science and engineering; persons experienced in product development and technology transfer; and entrepreneurs and business managers in marine-related fields.

48. Does MTI help applicants who are not awarded funds with advice?

MTI provides applicants with a written copy of the evaluation of his or her application and MTI staff is happy to meet with applicants who would like more feedback on the evaluation.

Application Questions

49. What does "sharing of assets" mean?

"Sharing of assets" can vary depending on individual situations, and can be approached creatively. At the very least it should mean that a mechanism has been put into place to allow multiple organizations to have access to the asset. For example, a piece of diagnostic equipment may reside with a non-profit research institution, but an agreement may be in place to allow a company, or companies access to that equipment.

50. How do we identify the level of collaborators?

Applicants should incorporate information regarding collaborating partners in the body of the application. Resumes, biographies or curriculum vitae of collaborators should be included as appendices, as indicated in the RFP.

51. Is there a preferred style or formatting for the curricula vitae in the appendices?

No, whatever format provides the appropriate information most clearly is acceptable, as long as it stays within two pages.

52. Given that the external reviewers will be professionals in the areas described in the application, should the application narrative give a high level of technical detail?

Applicants are encouraged to read through the review sections of the RFP to get a sense of the audience for whom you are writing. Although the level of technical detail should be sufficient to give a professional in the field a good idea of the project's scientific and technical underpinnings, the level should also allow the less technical reader who is judging the economic impact, or relevance to Maine's economy to understand the project and its implications for the State of Maine.

53. If there is a potential range to our budget, what is the best way to present that? In other words, you mentioned that you could fund all or part of the request, how can we address that potential decision up front?

The budget section of the application allows for a supporting budget narrative of up to two pages. If there is a potential range to the budget, you can address it in the supporting narrative.

54. I understand matching funds can be retroactive for a period of time? What about Marine Capital Grants Program funds?

Qualifying expenses relating to the proposed project may be incurred anytime after the date of application submission, with the exception of equipment purchases. Equipment purchases with Program funding must take place after the award contract has been signed. Pre-award expenditures are made at the applicant's risk. It is possible that portions or the entire project may not be funded.

55. In the instructions for the budget, under the information about overheard rates, to what do we apply the 20% overhead rate?

For the purposes of this program you may claim up to a maximum of 20% of total project costs for overhead. Total project costs are determined by adding the total project costs from each fund source including Capital Grants Program funds. We understand that within a project an institution may have a higher federally negotiated rate. However the total overhead captured as matching funds for purposes of this program are limited to 20%. Program funds cannot be used to pay overhead costs.

56. Is an applicant eligible to apply for the program if they are in the process but are not yet incorporated?

The applicant will need to be incorporated by the time the award is made. It should be noted in the application that the effort is underway and what the expected time frame is.

57. I am assuming that in filing the Letter of Intent that we would have the flexibility to change the lead institution in the final application. The project director would remain the same. Am I correct in my assumption?

Yes, but changes will need to be noted in the final application.

58. Is there an overall page limit to the application?

The RFP outlines the page limitations for each section. There is no overall page limit to the application.

59. Will applications be accepted that differ from the original filed Letter of Intent?

Because the letter of intent is optional, a submitted application does not have to correspond closely to the original filed Letter of Intent.

60. Should the text be single spaced or double spaced?

The text may be either single spaced or double spaced. Other formatting guidelines are in the RFP.

61. The Project Director listed in the Letter of Intent needs to be replaced with another person. Can we do this when we submit the application?

Yes; the application should clearly indicate who the Project Director will be.

Contract Administration Questions

62. What about collaboration halfway through the project? For example, one collaborator drops out, another signs on?

This situation would be governed by the award agreement contract, and would be handled on a case-by-case basis. Most likely, the award recipient would need to get MTI permission to make changes to project personnel and/or collaborating partners.

63. Will MTI take a lien on an asset (i.e.: land)?

This situation would be governed by the award agreement contract, and handled on a case-by-case basis. In general, MTI would most likely not take a lien on an asset that is being used a matching funds, but likely will take a lien on an asset valued at over \$10,000 that is purchased with Capital Grants Program funds.

64. What are the reporting requirements after receiving funding?

Final reporting requirements will be finalized in the award contract, but will include at a minimum: quarterly or milestone reports including progress and economic impact measures and milestones met, matching funds documentation, quarterly financial forecasts (i.e., timing of future milestone payments) and annual reports. In addition, there is an expectation that award recipients will work with the Alliance for the Marine Economy to document overall project metrics and potential demonstrations of equipment that is new to Maine.

65. If I ask advice from a contractor on the initial design and budget for the purposes of the application, will that exclude him/her from bidding on the full design if the project was to be funded?

From the MTI policy perspective, asking a contractor for assistance with basic design and budgetary data for the application does not exclude them from bidding or performing the work on the actual project, nor does it guarantee that they would do the work on the actual project, should it be funded. This is a better question for your own organization/institution in terms of its own procurement and bid process and policies. From our experience, the closer to accurate you can have your budget for the application, the more likely that the project budget will stay on track during the actual project.

RFP Interpretation Questions

66. Can MTI provide some guidance around the use of the terms “principal investigator” vs. “project manager” as the primary contact?

The use of both terms is allowable for the primary contact, as MTI recognizes that different types of organizations use different terminology, and that either could potentially be the primary contact for a project. Applicants are welcome to use either term.

67. How is intellectual property handled with the Marine Capital Grants awards?

All technology developed prior to the MTI award will continue to be owned by the party that developed the technology. Improvements or new inventions developed during the course of the award will continue to be owned by the discoverer/developer of the technology. In situations where another party owns the technology, the participating company may enter into a licensing agreement to use the technology. In some cases, a pre-existing ownership agreement may be in place between the parties. The existence of such an agreement should be stated in the applicant’s proposal. In a collaboration of researchers or institutions, where intellectual property might be an issue, parties are encouraged to enter into an intellectual property agreement and indicate this in the application. Where applicable, award recipients are required to submit an intellectual property plan as part of the award contract.

68. Are there resources available to address IP protection (copyright, trademark, patent)?

Since Marine Capital Grants program funds must be used for capital expenditures, award funds cannot be used for patent filings or other IP protection. MTI encourages applicants to consult with intellectual property lawyers or programs that provide information and guidance about intellectual property protection issues. Please note that patent filing is an allowable use of MTI TechStart, Seed Grants and Development Loan funds.

69. Asset acquisition is short-term, but capacity building is long term. Where should scope of the project be focused?

This is an economic development bond-funded program, so a project’s scope of work should include a description of the longer-term efforts that will be enabled, not just on the acquisition of an individual piece of equipment. An application should be able to connect the dots between the acquisition of the equipment and what will be enabled by that equipment.