



Development  
Services Agency



Third Frontier  
Innovation Creating Opportunity

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# 1 Ohio Third Frontier Statement of Solicitation

## 1.1 Overview

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

## 1.2 Background

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

What Ohio Third Frontier Supports:

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

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

For more information about Ohio Third Frontier, visit [www.ohiothirdfrontier.com](http://www.ohiothirdfrontier.com).

## 1.3 Request for Proposals Issuance

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

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

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

#### **1.4 RFP Process and Awards Process**

The RFP Process will consist of the following steps:

- Release of RFP
- Questions and Answers (Q&A) and Communications
- Submittal of Proposals

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

The Awards Process will consist of the following steps:

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

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

All questions regarding this RFP must be submitted in writing via e-mail to [TVSF@development.ohio.gov](mailto:TVSF@development.ohio.gov) with a subject line of “TVSF RFP Q&A”. Lead Applicants, Licensing Institutions and/or others acting on their behalf shall be aware of all prohibited contact in Section IV of [Appendix A – RFP Process, Awards Process, and Mandatory Compliance](#).

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

A template/sample grant agreement will be available on the Program’s website: [http://development.ohio.gov/bs\\_thirdfrontier/tvsf.htm](http://development.ohio.gov/bs_thirdfrontier/tvsf.htm)

## 2 Program Description

### 2.1 Purpose

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

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

Two separate mechanisms, with different application requirements, have been set up to achieve these goals: Technology Validation (Phase 1) and Start-Up Fund (Phase 2). This RFP specifically covers **Phase 1 – Technology Validation**. Phase 1 enables the creation of a pool of funds that will in turn support various validation projects originating from an Ohio-based Eligible Institution. The specific objectives of this phase are as follows:

### 2.2 Goals

The specific goals of Phase 1 of the Program include:

- ✓ Generate the proof needed to move technologies to the point that they are either ready to be licensed by an Ohio start-up company or otherwise deemed unfeasible for commercialization. Applicants are encouraged to work with potential Ohio licensees to identify the proof needed.
- ✓ Perform validation activities such as prototyping, demonstration and assessment of critical failure points in subsequent development, scale-up and commercialization in order to generate this proof, with strong preference for these validation activities being performed by an independent source.

### 2.3 Eligibility

#### 2.3.1 *Lead Applicant*

A Lead Applicant is the entity that submits a proposal and will be legally and financially responsible for the administration of any resulting award of Ohio Third Frontier funds under this RFP (“Lead Applicant”). The Lead Applicant will be responsible for the administration of its proposal should it be awarded. The Lead Applicant must also serve as both the administrative and technical director of the Project.

An eligible Lead Applicant for the Phase 1 Technology Validation Fund must be:

- 1) An Ohio institution of higher education; or
- 2) An Ohio not-for-profit research institution,
  - which has a history of technology commercialization and creation of start-ups; and
  - institutional infrastructure and support for commercialization.

Eligible Lead Applicants must have a dedicated Technology Transfer Office.

Eligible Lead Applicants may submit no more than **one Phase 1** proposal in any particular round of the program requesting between \$200,000 and \$500,000. If an Eligible Lead Applicant has received a previous TVSF Phase 1 award that has not been fully allocated, the Eligible Lead Applicant may submit an additional proposal requesting between \$200,000 and \$500,000. An Eligible Lead Applicant may have no more than to unallocated awards and \$1,000,000 encumbered at any given time. All awards must follow the guideline of allocating all funds within one year of the allocation date.

### **2.3.2 Specific Technology Validation Projects/Activities**

To be considered eligible for Program funds, a technology must already have intellectual property protection, defined as invention disclosure (to USPTO), patent pending, or patent issued. It is expected that the majority of supported technologies will be patent pending.

Program funds are not meant to be early stage “proof of concept” funds—specific technologies supported by the Program must have already advanced beyond basic research and must have the equivalent of a laboratory-scale proof of concept prior to application to an Eligible Institution’s pool of funds.

Similarly, technologies that have already received TVSF Phase 2 funding are considered too far developed for Phase 1, and thus are ineligible for funding under Phase 1.

## **2.4 Funding and Cost Share**

### **2.4.1 Funding Available**

DSA anticipates awarding up to \$6 million over the three rounds covered by this RFP as well as the Phase 2 RFP.

A Lead Applicant’s Phase 1 proposal may seek Program funding in the range of \$200,000 to \$500,000 that would result in a total pool of funds of \$400,000 to \$1,000,000.

### **2.4.2 Cost Share**

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

TVSF Phase 1 requires a cash cost share commitment of at least one dollar for every dollar of Ohio Third Frontier funds requested (i.e., a ratio of 1:1). The

match must represent a specific new, unrestricted cash commitment. It will be the responsibility of the Lead Applicant to ensure that the 1:1 cost share requirement

is met or exceeded, and all reporting requirements are met. Cost share must be available with no contingencies or conditions at the time of proposal submission to DSA. Federal Funds, unless expressly allowed under the applicable Federal Program, State of Ohio General Revenue Funds, Ohio Development Services Agency program funds, or other Ohio Third Frontier program funds shall not qualify as part of the Cost Share amount.

Because Phase 1 Awards are intended to be matched directly by actual cash that will then be allocated to individual technology validation projects, cost share for these proposals cannot come in the form of researcher release time, student tuition remission, or any other “in-kind” types of support.

### **2.4.3 Specific Technology Validation Projects/ Activities**

Individual technologies that an Eligible Institution decides to support with its pool of funds must be supported equally across cost share and Program funds (i.e., 1:1). This matching requirement is for the entire project/activity—not necessarily for each expense.

Technology Validation Projects/Activities supported by an Eligible Institution with its pool of funds are intended to be approximately 1 year in duration and under \$150,000 in total cost, although flexibility is afforded to the Eligible Institution regarding the duration and amounts for individual projects. DSA staff must approve projects prior to their support from an Eligible Institution’s pool of funds. Seeking approval will require a letter and 1-page prospectus, the form of which is determined by DSA. Projects that exceed \$150,000 in total budget will require additional steps for approval.

For individual projects to be supported by an Institution’s pool of funds, funds must be: 1) allocated to individual projects by the end of year 1 of the grant’s two-year Project Period (as defined in section 2.5 below); 2) for the performance of activities in direct support of the project; 3) expended by the end of year 2 of the grant’s two-year Project Period; 4) charged to resources of the Grantee; and 5) documented in grant accounts or in the grant-related financial books and records.

#### **2.4.3.1 Eligible Expenses**

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

- Personnel time for employees of the Eligible Institution
- Purchased Services from vendors outside of the Eligible Institution
- Supplies
- Equipment

#### **2.4.3.2 Ineligible Expenses**

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

- Bonuses, incentive compensation or rewards
- Travel expenses (including conference fees)

- Indirect costs (e.g., F&A)
- Legal fees
- Patent prosecution expenses
- Developing grant proposals
- Administering an OTF award (including a TVSF award stemming from this RFP)
- Any other activity determined to not be consistent with the intent, goal, or rules of the Program

## **2.5 Term of Project**

The Project is the plan of activity or activities that make up the total scope of work for which an award of Ohio Third Frontier funds is requested and for which a proposal is approved. The period during which the active work funded by the grant award will take place shall be no more than 2 years ("Project Period"). All Technology Validation Projects/ Activities must be selected by the Project Selection Committee (as defined in section 3.3.2.1 below) and all funds must be allocated within the first year of the Project Period. For an additional three years following the Project Period, the Lead Applicant will continue to report commercialization successes to DSA.

DSA will not grant any extensions to the Project Period for TVSF Phase 1 awards.

### 3 General Proposal Requirements

#### 3.1 General Instructions

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

If the portal is unavailable, proposals are to be submitted via email to [TVSF@development.ohio.gov](mailto:TVSF@development.ohio.gov)

Lead Applicants must incorporate the questions provided in Appendix B – Phase 1 Application Forms into their proposal narrative. No other materials or narrative beyond what is requested in the appendix may be submitted. It is the Lead Applicant’s responsibility to ensure submission of a complete proposal based on all requirements of this RFP.

##### 3.1.1 General Formatting Requirements

- Proposals are to be submitted on 8.5 x 11-inch page size.
- Margins must not be less than ¼ of an inch on all sides
- Font must be 11 point or larger with no more than 6 lines per inch.
- All pages must be numbered consecutively using the format “Page [#] of [total number of pages]” (e.g., Page 2 of 25).
- The proposal title and Lead Applicant name must appear at the bottom of each page.
- Proposals should not include color figures that cannot be understood when photocopied in black and white.
- Do not include a cover or cover letter other than the Application Information Page.

##### 3.1.2 Page Limitations

Any pages beyond the page limits listed below will be eliminated from the proposal before it is sent for review and evaluation. Except as otherwise noted, appendices or other methods to augment the information presented in the proposal are not allowed. References to web-based information to supplement the proposal are not permitted, and such references will not be considered in the evaluation.

Section	Page Limit
3.3.1 Administrative Pages	3 pages
3.3.2 Proposal Narrative	6 pages
3.3.3 Proposal Supplement: Summary of Previous Phase 1 Awards	1 page
3.3.4 Letters of Commitment	1 page per member of Proposal Selection Committee

## **3.2 Public Information**

Lead Applicants are reminded that all information submitted in response to this RFP is public information unless a statutory exception exists that exempts it from public release under the Ohio Public Records Act in Section 149.43 of the Ohio Revised Code.

## **3.3 Order and Content of Proposal Sections**

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

### **3.3.1 Administrative Pages**

The first three pages of the proposal must be the completed pages from Appendix B – Phase 1 Application Forms.

#### **3.3.1.1 Application Information**

The first page of the proposal must be the Application Information Page which must contain the title and signature of the Lead Applicant's Authorizing Agent. For a Phase 1 application, the Authorizing Agent should be the Technology Transfer Office.

#### **3.3.1.2 Financial Liability and Legal History**

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

#### **3.3.1.3 Lead Applicant Contact Information**

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

### **3.3.2 Proposal Narrative**

Applicants must answer the questions provided in Appendix B – Phase 1 Application Forms. While the overall proposal narrative may not exceed six pages, it is up to the applicant to allocate the space among the questions as they feel best presents the opportunity.

Applicants should carefully examine Section 4 to understand the evaluation criteria to best use their available space. With the short page limit, the Proposal narrative is not expected to be an in-depth technical assessment of the problem and the work plan.

#### **3.3.2.1 Project Selection Committee**

A critical element for the success of a Phase 1 award is the membership of the Project Selection Committee. As a part of the proposal narrative (Question 5), Phase 1 proposals must specify the membership of their Project Selection Committee. For the best chance at success, the following rules shall apply to the membership:

- A majority of the Project Selection Committee membership may not be employed or otherwise affiliated with the Lead Applicant. Only one seat of the committee may be occupied by an executive (President, Vice President or similarly situated) from the Lead Applicant. Instances where the Lead Applicant has only one or zero seats on the committee will be viewed favorably.
- At least one member of the Project Selection Committee must be a representative from the local Entrepreneurial Services Provider (ESP).
- At least one member of the Project Selection Committee must be a representative from an outside angel or venture capital interest. Representation from downstream investor groups will be viewed favorably.

On the whole, the Project Selection Committee should encompass significant start-up expertise and appropriate linkages (including to industry sectors and possibly alumni) that would enable the recruitment of strategic partners and qualified entrepreneurs to move successful projects to the next level of commercialization. Lead Applicants are strongly encouraged to avoid using boiler plate biographical information to describe the selection committee members.

### **3.3.2.2 Engagement with the Entrepreneurial Ecosystem**

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

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

Engagement with the local ESP is critical for Phase 1 applicants and as indicated in the previous section, Phase 1 proposals will need to specify a Project Selection Committee that includes one representative from the local ESP.

### **3.3.3 Proposal Supplement: Summary of Previous Phase 1 Awards**

If the Lead Applicant has previously received Phase 1 awards, the applicant must provide a summary of the validation activities conducted under those awards (including the older-style, directly funded Phase 1 validation projects). The summary should not exceed 1 page in length and must include the table included in Appendix B – Phase 1 Application Forms.

### **3.3.4 Letters of Commitment**

A Commitment Letter must be provided for each organization and/or individual that will have a seat on the Project Selection Committee as well as from the Lead Applicant. Commitment letters may not be longer than one page and may not include appendices or attachments.

Commitment letters must meet each of the following requirements:

- ✓ Be submitted on the letterhead of the relevant organization;
- ✓ Include the name of the Lead Applicant;
- ✓ Briefly state the nature and the duration of any relationship with the Lead Applicant;
- ✓ State the intent/willingness to serve on the Project Selection Committee;
- ✓ The Lead Applicant's letter must indicate the source and amount of cost share, and must indicate that the cost share is a new, unrestricted cash commitment.

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

## 4 Evaluation Criteria

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

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

- ✓ Alignment of the proposal with the Program purpose, goals, objectives, eligibility and funding requirements as described in this RFP.
- ✓ Compliance with this RFP's administrative requirements.
- ✓ Quality of the responses to the requirements of this RFP as outlined in the proposal narrative. The following specific elements will be examined:
  - The degree to which the Lead Applicant is able to meaningfully demonstrate the quantity and quality of their likely projects and their ability to allocate the pool of funds to projects within the first year of the Project Period.
  - The degree to which the Lead Applicant is able to demonstrate its ability to manage the proposed pool of funds, including administrative and reporting processes.
- ✓ The robustness of the Lead Applicant's project selection process, including the background and experience of the proposed members of the Eligible Institution's Project Selection Committee. Note that a majority of the Project Selection Committee may not be employed or otherwise affiliated with Lead Applicant. It is preferred that Lead Applicants minimize their role in the Project Selection Committee. As mentioned in section 3.3.2.1, one member of the Project Selection Committee must be from the local ESP and at least one member must represent an outside angel or venture capital interest.
- ✓ The degree to which the Lead Applicant demonstrates its ability to integrate their activities with the Ohio Third Frontier ESP Program and other state-funded programs and organizations sharing complimentary missions.
- ✓ The degree to which the Program funds will be impactful as evidenced by the magnitude and realism of the projected metrics including the creation of new companies.
- ✓ The performance on prior Ohio Third Frontier awards, particularly the licensing status of completed Phase 1 projects.
- ✓ Strong preference will be given to applications that can demonstrate that validation activities will be performed by independent 3<sup>rd</sup> parties.

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

## **5 APPENDICES**

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

**Appendix B – Phase 1 Application Forms**