

REQUEST FOR PROPOSALS
SEED GRANT PROGRAM

MAINE TECHNOLOGY INSTITUTE
Investing in Promising Technologies

405 Water St., Suite 300, Gardiner, Maine 04345
Phone: 207-582-4790 Fax: 207-582-4772
<http://www.mainetechnology.org>

PURPOSE: 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).

GOALS AND OBJECTIVES: Consistent with the MTI purpose, Seed Grants are offered on a competitive basis to support very early activities for product development, business planning or development leading to commercialization.

AWARDS: Grants will be awarded up to six times each year, for up to \$12,500 per project. Funds must not otherwise be available from another service provider. Each grant requires a 1:1 match consisting of actual cash, salaries, staff time, or equipment directly attributable to the proposed project. No overhead costs may be used for Seed Grant funds or match. Full grant payment will be contingent on reaching project endpoint.

ELIGIBLE PROJECTS: MTI Seed Grants are intended to provide quick financing for individuals, businesses, or research laboratories for specific small projects leading to the commercialization of new products or services in the State's targeted technology sectors.

Seed Grants will support technical or consulting assistance leading to a MTI Development Award application, NIST ATP award, investment presentation, or other commercialization application. Seed Grants also may be used to support specific small projects leading to new product or service commercialization, such as proof-of-concept work, prototype development, pilot studies, intellectual property filings, business plan development, market analysis, or activities occurring between SBIR Phase I and Phase II award projects. Technology transfer activities will be eligible ONLY if the adaptation of the technology for use in Maine is unique and innovative. All projects must have a clearly defined endpoint, such as full Development Award proposal prepared or prototype built.

DEADLINES: Original, complete applications must be received at the MTI office no later than 5:00 p.m. on: June 12, 2008 and August 14, 2008.

AWARD DECISIONS ANNOUNCED: July 15, 2008 and September 9, 2008.

REVIEW PROCESS

All proposals must be received at the MTI office **no later than 5:00 pm** on the deadline date. Any incomplete proposals, proposals received after the 5:00 deadline for any reason, proposals that exceed page limits, or do not follow other directions will be returned to the applicant with no review.

Proposals received at the MTI at least five (5) business days prior to the deadline will be screened for completeness, and the applicant will be notified of missing pieces, and allowed to complete their proposal prior to the deadline.

Upon receipt of your completed proposal and within one week of the proposal deadline, MTI will mail a postcard as confirmation that the completed proposal was received, and forwarded for review.

All complete proposals will be forwarded to the Seed Grant Review Committee, who will evaluate the proposals and make funding recommendations. Proposals received for funding will have credit histories checked and be forwarded for final approval to the MTI Board of Directors.

Proposals will be evaluated based on the following criteria:

- Project description, scope of work, and merit of end point (20%)
- Fit to the MTI purpose (20%);
- Importance of project to the continued success of the enterprise (20%);
- Appropriateness of the proposed budget and match funding (20%);
- Potential for economic impact (20%).

Additionally, wherever possible, all MTI award decisions will consider the applicant's past and/or on-going performance with MTI funds.

CONFIDENTIALITY

MTI maintains the confidentiality of proposals, reports and other information submitted to the MTI, with the exception of information contained in the "Non-Confidential Project Summary." MTI recognizes the sensitive nature of information required for application. Please mark all pages containing sensitive information as "CONFIDENTIAL" or "PROPRIETARY." Materials so designated will be treated confidentially to the extent allowable by law. The MTI Board of Directors, Technology Board members, other consultants, staff and volunteers are required to sign and adhere to a non-disclosure agreement, and conflict of interest policy statement (both forms are available at: www.mainetechnology.org/userimages/confpolicy.pdf).

Additionally, if there are specific people or companies whom you prefer not review your proposal, please provide their names on the Cover Page (FORM A), and they will not have access to proposal materials other than your contact information (FORM A) and the non-confidential project summary.

AWARD PROCESS

Within one week of the funding decision date, award recipients will be notified of the award decision(s). Award recipients will also be posted on the MTI Web site (www.mainetechnology.org) under the “news” link on the listed decision date.

Award recipients will be notified electronically and/or by phone, and arrangements will be made to finalize the grant agreement. A total of 80% of the approved grant award will be disbursed at the start of the project. The final 20% will be disbursed upon project completion, with evidence of the endpoint, as specified in the proposal and the final grant agreement. Awards are contingent upon completion of the final grant agreement.

Final grant agreement requires:

- (1) the expected endpoint documentation and date targeted for project completion be specified and agreed to by both the Recipient and MTI.
- (2) credit history checks and review on all companies and primary principals (individuals holding ownership interest greater than 20% of companies) receiving an award. *Note: credit histories will be checked only for companies and individuals recommended for funding by the Seed Grant Review Committee.* There is no charge to the grant recipient for these reports.

Proposals not selected for an award will be notified by mail. All applicants are encouraged to call MTI for a detailed de-briefing regarding the review of their proposal.

LIMITATIONS AND RESTRICTIONS

Seed Grants may NOT be used to seed efforts leading to an MTI Cluster Enhancement Award, or other award or activity not directly related to new product or service commercialization.

Only one proposal per applicant or company will be considered per round.

The total of all Seed Grants awards granted for projects related to the development of any one technology, product, or service shall not exceed \$25,000. Additional applications or products resulting from, or related to, technology already funded at the maximum total of \$25,000 in Seed Grants may be considered for additional Seed Grants only when:

- a. the new application requires additional R&D or modification to the core technology; OR
- b. the new application brings significant new value to the company for which additional resources are required.

SBIR Phase 0 Proposal Assistance Grants for SBIR/STTR proposal preparation assistance are limited to up to \$5000, and are not counted in the \$25,000 limitation. In other words, an unlimited number of Phase 0 Grants may be received to assist SBIR/STTR proposal preparation. However, consideration of past success with the SBIR/STTR program and progress toward commercialization will be considered during review of the project.

MTI funds may be used to purchase equipment only when the equipment purchase is necessary for the proposed project. Recipients of awards that include equipment purchases are required to sign a Purchase Security Agreement allowing MTI to file and hold a lien on equipment purchases. MTI must approve of purchased equipment disposition. For more information, please see current MTI award agreements at www.mainetechnology.org, or call the MTI staff directly.

SEED GRANT APPLICATION DIRECTIONS AND CHECKLIST

Please submit to the MTI one (1) original of each of the following eight (8) items. Inclusion of optional item #9 is strongly encouraged. Complete applications must be received at the MTI no later than 5:00 pm on the deadline date. Applications must be single-sided and submitted in black and white or grayscale to maintain clarity after copying. Facsimiles, e-mails or other electronic submissions, incomplete proposals, proposals exceeding page limits, or otherwise not following directions will be returned with no further review.

PLEASE NOTE:

ITEMS 1-8 IN THE LIST BELOW MUST BE INCLUDED WITH YOUR SEED GRANT APPLICATION OR YOUR APPLICATION WILL BE RETURNED TO YOU WITH NO FURTHER REVIEW.

1. **Cover Page = FORM A: Non-Confidential Information**
 - a. Register on-line at http://www.mainetechnology.com/index.php?cat_id=299 and receive your unique proposal number to be used with all communications. *Write this unique proposal number on the upper right corner of every page of your proposal.*
 - b. Print out the completed registration Form A, certify its truthfulness with your original signature, and mail it along with the remaining parts of the application.
 - c. If you are unable to register on-line, please call MTI to register by phone and receive your proposal number before submitting your application. You will then complete a blank Form A and include with your application.

2. **Non-Confidential Project Summary:** On separate paper, in one paragraph, not to exceed 50 words please describe your product or technology, the scope of work contained in the proposal and which targeted sector your technology fits best.

Project summaries should contain no proprietary or confidential information because the information may be used for promotional and other purposes.

3. **Project Information from Previous MTI Award(s), if applicable:** On separate paper (limit two pages) please submit the following information for your previously funded MTI projects with significant focus on related projects.
 - a. Project Title and ID:
 - b. What is the relationship of the previous award(s) to this seed grant submission?
 - c. Please provide the history of the previously funded project(s). Include a description of the scope of work proposed and accomplished.
 - d. Was the project a success or a failure? Please explain.
 - e. What commercialization activities have been undertaken or are planned?
 - f. If the awarded project has not yet been completed, why are you applying for a subsequent award now?

- 4. Project Summary Description:** On separate paper **not to exceed three (3) typed pages, 12-point font minimum, 1" margins**, please submit:
- 4.a.1 Scope of work proposed and approach. What is the proposed technology, product or service and why is it unique? What specific tasks will be accomplished and how will they be performed, and by whom? How will this advance your product/service toward commercialization?
 - 4.a.2 Relevance to your business and fit into business plan. What is the expectation for job creation?
 - 4.a.3 Reason that MTI funds are required for the project.
 - 4.a.4 Timeline for completion. *Please note: it is anticipated that Seed Grant projects will be completed within six to twelve months of the award.*
 - 4.a.5 Fit to the MTI purpose and benefit to the targeted technology sector.
 - 4.a.6 Next steps, such as commercialization or presentation.
 - 4.a.7 Identifiable, measurable outcomes such as business plan completed, patent filed, prototype developed, or test completed.

- 5. Budget Summary = FORM B:** Please see blank form and example under Appendix A. Using the form provided, www.mainetechnology.org/userimages/SeedGrant-Forms.doc or using a copy of the blank form (you may add additional lines, if needed), please indicate:
- a. Line-item expenses for the proposed project (*Note: no indirect costs may be used in the Seed Grant program, and all work and related expenses paid for with MTI funds or match funding must occur after the Seed Grant award date.*)
 - b. Total funds requested from MTI.
 - c. Total matching funds committed.

WAGE / SALARY RATE GUIDELINES:

- A. No limitation on consultant / contractor rates, or for non-principal project personnel. MTI staff must verify that the proposed rates are the actual billable rates for the consultant / contractor or other personnel.
- B. Payment of project principle salaries / wages (including that for company Principals) is a legitimate use of MTI funds. All salaries / wages, whether "match" or paid with MTI funds, must be the actual pay rate, or must NOT exceed the mean hourly wage rates compiled by the Bureau of Labor and listed at the Standards National Occupational Employment and Wage Estimates (http://stats.bls.gov/oes/current/oes_stru.htm). Actual pay rates may need to be justified by actual, documented payments, in place and made prior to the MTI award application, for the named person in the specified position by the applicant company. It is the responsibility of MTI staff to verify payments.

- 6. Commitment for matching funds:** On separate paper, please provide letters of commitments for all matching funds contributed. Letters must account for all items indicated in the Match Funding column in the Budget form, including match committed by the applicant's company. You may follow the sample commitment letter provided under Appendix B.
- 7. Biographies:** On separate paper, please submit biographies for the primary contact and any other project personnel identified on the Seed Grant Budget form, including any named consultants and/or (sub)contractors. Be sure the biographies indicate experience relevant to the performance of tasks related to this proposal. Note: Biographies may not be longer than two (2) pages per person. Any additional biography pages over the 2-page per person limit will be discarded (for example, if

you submit a 5-page biography for one person, only the first two pages will be copied, and the last 3 pages discarded).

- 8. Credit Authorization Form = FORM C:** As stated in the Award Process section, MTI will conduct credit checks only on companies and principals that are approved for Seed Grant awards. To ensure the fastest processing of Seed Grant awards, please complete the credit authorization form (FORM C), seal the completed form in an envelope, and include sealed envelope with your full proposal. MTI recognizes this is highly sensitive information. This information will not be provided to the Seed Grant Review Committee. Only if your proposal is approved for funding by the Seed Grant Review Committee will the envelope be opened and credit histories checked.
- 9. Supporting Documentation (Optional):** On separate paper, not to exceed three (3) single-sided pages (8.5" x 11" max) you may submit any articles, letters, or other documentation that support your application. Supporting documentation often includes published market information, letters from experts in the field, partners, collaborators, suppliers or potential customers. Note: Any additional pages beyond the optional three pages will be discarded; please be sure these optional three pages are in "ready-to-copy" form – single-sided, black and white or grayscale to maintain clarity after copying, and no larger than 8.5" x 11" (for example, an attached brochure, a double-sided document, or 11" x 17" sheet of information will not be copied and will be discarded unless in the abovementioned format).

APPENDIX A: SEED GRANT BUDGET FORM — EXAMPLE

FORM B: Please provide the amount and a description of each expenditure from each source required for the proposed project. Total these amounts in the far right-hand column and at the bottom of the form. **Note: reviewers will assess the appropriateness of this budget during evaluation.**

	MTI Funding	MATCH Funding	Total Funding
Personnel —List names, titles, hourly rates:			
J. Yancey, Owner, Scientist, \$24/hour, 60 hrs		\$1,440	\$1,440
E. Crabtree, Engineering Manager, \$42/hour, 144 hrs	\$3,024	\$3,024	\$6,048
TOTAL PERSONNEL			\$7,488
Consultants/Subcontractors —List names, project-related titles, areas of expertise, hourly rates			
Business Consultant:, \$30/hour, 96 hours	\$1,880	\$1,000	\$2,880
TOTAL CONSULTANTS/SUBCONTRACTORS			\$2,880
Capital Equipment —List equipment purchases over \$1000			
TOTAL CAPITAL EQUIPMENT			
Other —List other expenditures:			
Supplies		\$100	\$100
TOTAL OTHER COSTS			
Note: No indirect costs may be used for the Seed Grant project			
TOTAL COSTS	\$4,904	\$5,564	\$10,468

APPENDIX B: COMMITMENT LETTER — EXAMPLE

**You may use a copy of this letter by replacing all italicized words with information pertaining to your proposal.

May 1, 2008

Maine Technology Institute
405 Water St., Suite 300
Gardiner, ME 04345

Dear MTI,

This letter represents a commitment by *XYZ Company* to provide \$5,564 in matching support for the project entitled, "*Widget Proposal.*"

Of this support, \$1,000 is a cash payment to carry out the work on this project. We are also providing \$4,464 of support in the form of salaries, and \$100 in supplies devoted to this project. All support is provided for the Maine Technology Institute-funded project, beginning *September, 2007*, and ending *December, 2007*. Payments will be made according to the following schedule:

September 13: \$1,000 to Business Consultant
December 6: documentation of time from J. Yancey & E. Crabtree
December 6: supplies receipts

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

Sincerely,

Janet Yancey
President
XYZ Company

MTI Seed Grant Cover Page (Non-Confidential) = FORM A: Submit this form on-line, AND include a printed version with your original signature with your application. One original, signed, completed Seed Grant application **must be received before 5:00 p.m. on the deadline date.** Completed applications must be mailed or delivered to: Maine Technology Institute, 405 Water St., Suite 300, Gardiner, ME 04345.

1. Project Title (< 50 characters):		
2. Technology Sector(s) that best fits your business (check all that apply):		
<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"/> Environmental Technology	
<input type="checkbox"/> Biotechnology	<input type="checkbox"/> Information Technology	<input type="checkbox"/> Precision Manufacturing Technology
3. Type of work proposed:		
<input type="checkbox"/> Product Development	<input type="checkbox"/> Technical Assistance	<input type="checkbox"/> Market Analysis
<input type="checkbox"/> Consulting Work	<input type="checkbox"/> SBIR/STTR Assistance	<input type="checkbox"/> Other (please describe):
4. Principal Contact: Name:		Title:
Business Name:		EIN # (required):
Business Address:		
Home Address:		
Business Type: <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Non-profit		
<input type="checkbox"/> Corporation <input type="checkbox"/> Other (please describe):		
NAICS code (formerly Business Standard Industrial Code (SIC)), if known:		
Business telephone number:		Fax number:
Home telephone number:		
E-mail address:		
Filed with Secretary of State? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, state reason? _____		
5. Other Principals involved in project:		
6. Award Amount Requested:		
7. Matching Fund Amount and Source(s):		
8. Names from which to withhold proposal information:		
Unless otherwise indicated, Full Proposals will be evaluated by MTI Technology Board Members and the MTI Board of Directors.		
9. How did you first learn of MTI? <input type="checkbox"/> MTI proposal preparation workshop <input type="checkbox"/> Web site/MTI E-mails		
<input type="checkbox"/> Radio Ad <input type="checkbox"/> Friend/Colleague <input type="checkbox"/> Service Provider <input type="checkbox"/> Other workshop		
<input type="checkbox"/> Newspaper Article <input type="checkbox"/> Other (please describe):		
10. SIGNATURE: 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

FORM B: MTI SEED GRANT PROGRAM BUDGET SUMMARY FORM

FORM B: Please provide the amount and a description of each expenditure from each source required for the proposed project. Total these amounts in the far right-hand column and at the bottom of the form. You may add additional lines in any category, if needed. **Note: reviewers will assess the appropriateness of this budget during evaluation.**

	MTI Funding	MATCH Funding	Total Funding
Personnel —List names, titles, hourly rates:			
TOTAL PERSONNEL			
Consultants/Subcontractors —List names, project-related titles, areas of expertise, hourly rates			
TOTAL CONSULTANTS/SUBCONTRACTORS			
Capital Equipment —List equipment purchases over \$1000			
TOTAL CAPITAL EQUIPMENT			
Other —List other expenditures:			
TOTAL OTHER COSTS			
TOTAL COSTS			

FORM C: SEED GRANT CREDIT AUTHORIZATION FORM (two pages)

Please complete this consumer credit authorization form (two pages) and submit in a sealed envelope along with your Seed Grant Proposal.

Consumer credit reports are required on both the companies and *primary principals* of companies approved for MTI funding (*definition: a primary principal is any person having an ownership interest in the company of twenty percent (20%) or more.*)

Please complete Part 1 and Part 2 **or** Part 3.

No MTI funds will be released until appropriate credit reports are received and reviewed to the satisfaction of MTI. All consumer credit information will be kept confidential consistent with MTI's confidentiality policy. There is no charge to the grant recipient for these reports.

PART 1 (To be completed by ALL Applicants):

Company Name: _____ EIN (required): _____

Company Address: _____

I certify that the aforementioned company hereby allows the MTI or its designee to proceed with a credit check of the company.

Signature

Date

Title

(Please continue to next page →)

