

REQUEST FOR PROPOSALS (RFP)

RFP Number: DEVPSR001

The Ohio Department of Development, Policy Research & Strategic Planning is requesting proposals for:

Ohio's Hubs of Innovation and Opportunity Initiative

Proposals Issued: January 29, 2010
Inquiry Period Begins: January 29, 2010
Inquiry Period Ends: March 10, 2010
Proposals Due: March 15, 2010

Submit Proposals to:

Ohio Department of Development
Policy Research & Strategic Planning
77 S. High St., 27th Floor
Columbus, OH 43215
Hubs@development.ohio.gov
(614) 466-2116

This RFP consists of 9 consecutively numbered pages plus attachment. Please verify that you have a complete copy.

Please submit all inquiries about this RFP at Hubs@development.ohio.gov. Please refer to Part Three of this RFP, "General Instructions", for instructions on submitting inquiries. All responses to inquiries submitted by Proposers will be posted on the Department of Development Web site for viewing by all prospective Proposers.

Ohio's Hubs of Innovation and Opportunity

Introduction:

This Request for Proposals (RFP) is being issued for grants to be awarded by the Ohio Department of Development for the Ohio Hubs of Innovation and Opportunity program. Any award of grant funds in response to this RFP will be subject to the availability of funds. The Department anticipates being able to select eight Ohio Hubs by year's end with a maximum award of \$250,000 for an Ohio Hub within a region. Proposers are encouraged to seek other sources of capital to augment the Department's contribution and will be more competitive with leveraged funds.

Background:

Ohio is committed to being a leading global center for innovation in the 21st century. This commitment draws from the vibrancy of our leading research institutions, which fuel regional innovation; our ability to empower entrepreneurship and create new industries; and our dedication to building upon the strengths of Ohio's regions and urban centers.

While innovation and technological advancement are fueling Ohio's industries across the state, our commitment to catalyze these opportunities within our regions is focused within the Ohio Hubs of Innovation and Opportunity. The Ohio Hubs are envisioned as regional economic development initiatives that build upon leading assets in our urban centers to accomplish three major goals:

1. Propel innovation through cutting-edge, market-driven applied technology and knowledge spillover;
2. Foster the opportunity for job creation and retention; and
3. Catalyze the formation of new companies in the region, while at the same time helping to ensure that Ohio's existing industries retain their competitive advantage in the global marketplace.

The Ohio Hubs are an element of our long-term strategy to change the trajectory of Ohio's economy. In addition, the Ohio Hubs complement and leverage the resources and investments already working in our communities including the Ohio Third Frontier, Ohio Edison Centers and Incubators, Clean Ohio Fund, Job Ready Sites, and Ohio Department of Development economic and community development programs.

Funds expended to support of the Ohio Hubs are designed to propel innovative ideas along the commercialization pathway, leading to new products, sales, and profitability for Ohio's entrepreneurs and companies. Throughout our regions, the strong synergies between research and development, commercialization, vibrant manufacturing, and value-added, knowledge-based services is realized.

The ability to deploy applied technology increases the value of products, components, and services, and leads to wealth creation in our communities.

Ohio Hub's will help foster a concentration of companies, applied research assets, leading business support intermediaries, and knowledge assets in specific technological sectors within each of our Development regions, promoting the deployment and commercialization of services and products. The success of the regions will be built upon the strength of opportunities for business transactions. The regions will be drawing upon their shared infrastructure, labor markets, risk capital, and services; and comparative advantage drawn being connected to key regional assets based in our urban knowledge centers.

The development of this unique environment ensures that commercialization and technological innovation will flourish, leading to the growth of companies, employment, capital investment, product sales, and community development. There is growing recognition that a region's long-term competitiveness depends on its ability to create dense environments that are conducive to innovation and collaboration between industry, universities, and the public sector. These changes – which are occurring across the globe – reflect the new dynamic nature of economic growth and the shifts in how industry is approaching research and development. Today, strategic alliances are becoming the norm in industry, with the recognition that important scientific questions require interdisciplinary research teams across multiple institutions.

The Ohio Department of Development identified Ohio's first Hub in Dayton, building upon investments and research related to the Aerospace and Aviation cluster. The Hub has a technology emphasis on sensors and advanced materials. It is a collaboration among the City of Dayton, University of Dayton, Montgomery County, and the Dayton Development Corporation, with the active support of the Department of Development. An urban center was identified stretching from the University of Dayton to the Tech Town complex encompassing the Oregon District and Miami Valley Hospital. The area has seen substantial investment by the state through the Ohio Third Frontier and Clean Ohio Revitalization Fund, as well as city, university, and federal support.

Within this center are strong regional assets including an Ohio Third Frontier Wright Center of Innovation, an Edison Center and Edison Incubator, and access to risk capital through the Ohio Third Frontier Entrepreneurial Signature Program. Another regional knowledge asset is the research capacity of the University of Dayton Research Institute, along with the other key research and development leaders such as Wright-Patterson Air Force Research Laboratories, the National Composite Center, and Wright State University.

Proposal Request:

This Proposal has been developed to provide the opportunity for partnerships of interested parties from each of the state's regions (designated by the Ohio Department of Development) to submit a proposal outlining their thoughts regarding the development of an Ohio Hub within their region. It is the intent of the Department to select a first group of Hubs for funding by April 19, 2010. The designation will be accompanied by financial resources to assist the Hub to move forward and begin to implement its program within six to 12 months.

The ability to respond to the Proposal will require strong collaboration between the public, private, and research partners of a region to address the questions and demonstrate to the Department of Development the ability to actualize the plan within a short time frame. This will require high levels of demonstrated cooperation between all parties and structures related to the Ohio Hub. The

completeness and depth of the Proposal should demonstrate the capacity of a region to move forward in a timely manner with the potential to foster job creation and retention and entrepreneurship.

The Department of Development through a comprehensive review process involving internal and external resources will evaluate the Proposals to determine those regions best aligned, organized, and prepared to move forward in the near future. The Department will negotiate final agreements and specific scopes of work with the selected regions. The Department will provide a maximum of \$250,000 to an Ohio Hub for activities to complete planning and initiate activities related to their goals. The agreement will be for a period of two years which will enable the Ohio Hub to begin to gain momentum and demonstrate early successes.

The Department of Development will provide additional technical assistance and support to regions not designated as Ohio Hubs as a result of this solicitation. This work will be designed to encourage regions to revise and resubmit their proposals and enable the Department to better understand the specific dynamics of particular regions as they relate to the overall Ohio Hub concept. Through this process, the Department of Development will be able to designate additional Hubs in Fiscal Year 2011, which commences July 1, 2010.

The Proposal process will require that each region answer a series of questions and address issues in seven areas. The responses provide the opportunity to describe the region's strong on-going efforts and hopes for the future. Emphasis will be placed on the demonstration of globally competitive technology or its application based in the region and the role and connection of the assets within the urban center to the Ohio Hubs strategy. Appropriate exhibits may be included which amplify or further explain a particular point.

1. Overview

Describe the role of the Proposer and explain its standing to represent the region in making an Ohio Hub proposal to the Department of Development. Summarize the region's strategic vision (economic and community development) for the Ohio Hub and how it will enhance economic development activity. Areas of interest to highlight include: nature and maturity of the applied technological assets; intended targeted industrial sector; relation to private sector economic development investments; connections to the assets affiliated with a leading knowledge institution in the urban center, level and nature of collaborations; and connection to existing economic development strategies.

2. Market-Driven, Applied, Technology Assets

Describe the place-based, market-driven, applied technology assets located within the region that build on the investments within the region and urban center upon which the Ohio Hub will leverage, and how these assets will help advance the region's economic development strategy. The analysis should explain the competitive position of technology(ies) and applications, and steps (completed and proposed) to strengthen them. A second part of the analysis is the role of private markets in commercializing the technologies, and what actions are being taken to expand the level and nature of coordination between research, commercialization, and market penetration related to the specific technologies and applications.

3. Regional Focus

Please describe the planning process and choices involved in choosing the Ohio Hub. Elements which may be part of the description include: who participated in the development of the Ohio Hub; types of physical analysis completed; and the level of planning and investment (public and private) for the Ohio Hub. An explanation of the strength of the knowledge assets

and how they support regional economic development connected to and building on the foundations of the urban center in the selected applied technology is also an important factor.

4. Commercialization Support

To be sustainable, the Ohio Hub will need to have a diversified and expansive pool of resources to support commercialization, development, and transitions by companies into a growing global market. The analysis should describe the ways different parties are collaborating to facilitate entrepreneurship and supply chain development. Elements of the collaboration may include access to capital, supportive entrepreneurial services available, and steps underway to foster collaboration between knowledge assets and industry.

5. Human Capital

The Ohio Hub's long-term success will draw on its ability to retain and attract a talented and diverse workforce. Describe the steps and collaborations either currently underway or being proposed for the Ohio Hub to assist businesses and provide individuals the skills needed to support new business growth. This should include recognition of the diversity of individuals and skill sets needed to support targeted sectors and their associated supply chain(s).

6. Stewardship - Leadership

The Ohio Hub's daily success rests upon a governance structure that sees it as an important living part of the regional economy. Describe any efforts that the region has completed or are underway to support the creation of the Ohio Hub, as well as parties participating in the discussions including local governments, research centers, and business leaders. Explain the proposed governance structure with emphasis on the nature and type of collaborations and responsibilities of each party, and how it will integrate into the region's ongoing successful strategies. The identification of an organization and individual(s) to be responsible for the day-to-day oversight of the Ohio Hub is of critical importance.

7. Schedule and Budget

The Ohio Hub strategy is both a short- and long-term initiative to help regions catalyze technology, place-based investments. Describe the region's implementation goals and objectives in the short term (defined as the first 18 months) and medium term (defined as the first three years). Individual letters of support are required from each party agreeing to support the Proposer as the lead entity for the Ohio Hub and the strategic vision described in this Proposal.

Please complete the attached Sources and Uses table to identify the proposed activities, allocation of funds and other funding sources. The Department of Development's maximum contribution is \$250,000

Part Two - Instructions

Format

- All pages of the Proposal shall be typed using a font size no smaller than 12-point
- Pages must be typed and have one-inch margins on each side: top, bottom, left and right.
- Proposals must be submitted in 3-ring binders only.
- Proposers must submit three paper copies of their Proposal, one with original signatures and two with copied signatures.
- Proposers must submit two electronic disk copies of their Proposal in PDF format.
- Each section of the Proposal must be tabbed
- All pages must be numbered
- Maximum page length – shall be 25 pages
- Each Submittal must include all required forms and attachments

General Guidance

Development may make use of resources beyond the materials submitted in the Proposal and/or request additional documentation from proposers, as necessary. This may include, but is not limited to, documentation available from published and other sources related to the project and which supports or verifies the content of the Proposal.

Proposers are advised there will be no opportunity to correct mistakes or deficiencies in their submitted materials after the Proposal Due Date. Proposals that are incomplete or otherwise missing required information may not be evaluated.

It is the Proposer's responsibility to ensure timely submission of a complete proposal. Late proposals will not be scored. Development is under no obligation to consider a proposal which is received after the Proposal Due Date or that is incomplete. Proposals that are not submitted in the format requested will not be scored.

No supplementary or revised materials will be accepted after the Proposal Due Date unless specifically requested by Development.

All costs incurred in the preparation of the proposal shall be borne by the Proposer and its partners, Development shall not contribute, in any way, to the cost of the preparation of the proposal.

A copy of and all documents developed by the Proposer during the course of this project will be provided to Development upon request and will become the property of Development.

All information submitted in response to this RFP shall be a public record unless a statutory exception exists that would protect the information from release to the public. Any information submitted with the proposal which the Proposer reasonably believes to be a trade secret, as that term is defined in Section 1333.61 of the Ohio Revised Code, may be designated as such by marking the information as follows: the phrase "trade secret," marked with two asterisks on each side, must be placed at the beginning and end of the trade secret information (example: ** TRADE SECRET **). In addition, the trade secret

information shall be underlined. Information determined to be a trade secret under the laws of the State of Ohio will be protected as trade secrets by Development in accordance with Ohio law.

The Department of Development reserves the right to:

- Accept or reject any and all proposals and/or bids if Development determines that it is in the best interests of the state to do so
- Rebid this RFP, requesting new proposals
- Waive or modify minor irregularities in proposals received
- Negotiate with Proposer(s), within the requirements of this RFP, to best serve the interests of the State of Ohio
- Require the submission of modifications or additions to proposals as a condition of further participation in the selection process
- Fund any proposal in full or in part; any awards by Development under the scope of this RFP will be made dependent on need and the availability of adequate, specific funding
- Not make an award at the end of the evaluation process; this RFP is not to be interpreted or construed to guarantee that one or more Proposers submitting responses will be awarded contracts
- Adjust the RFP Calendar of Event dates for whatever reason it deems appropriate; and
- Contact Proposer to clarify any portion of the Proposer's submittal

If, during the review process, Development determines that it is necessary to make further distinctions between certain Proposers, Development may request certain selected Proposers to make a presentation to staff and reviewers.

In accordance with federal and state statutes and Development policy, no person shall be excluded from participation or subject to discrimination in the RFP process on the basis of race, color, age, sex, national origin, military status, religion, or disability.

Part Three - Inquiries

The Department of Development will host a "bidders conference" with interested parties in early February. Information on the exact time of the conference will be posted on the Ohio Hubs Web page, <http://www.development.ohio.gov/ohiohubs>

During the competitive proposal period, any communication from external parties including but not limited to proposers, consultants, and other representatives of proposers regarding the proposal form, proposal status, and other related queries shall be made through the "Contact Us" link on the Ohio Hubs Web site at the following link: <http://www.development.ohio.gov/ohiohubs>. The Department will host a "Q & A Log" listing stakeholder questions and the answers provided by the Department.

The prospective Proposer who submitted the inquiry will not receive an e-mail response to the question, but will need to view the response on the Development Web site where it will be posted for viewing by all prospective Proposers.

Development will try to respond to all properly posed inquiries within 48 hours, excluding weekends and state holidays. Development will not respond to any inquiries received after March 10, 2010. Prospective Proposers who attempt to seek information or clarifications verbally will be directed to reduce their questions to writing in accordance with the terms of this RFP. No other form of communication is acceptable, and use of any other form of communication or any attempt to communicate with Development staff or any other agency of the state to discuss this RFP may result in the Proposer being deemed ineligible.

Part Four: Evaluation of Proposals

Evaluation Process

Only the most meritorious proposals are sought for funding. Proposals passing the administrative review will be evaluated based on responsiveness to all the requirements of this RFP and on the Proposers response to any additional information that may be requested. Implicit in those requirements and evaluation criteria is the quality of the plan. Equally important is the ability of the Proposer and its partners to leverage the state's investment to further the growth of selected technologies on behalf of the region and its urban center.