

INDIANA-ISRAEL COLLABORATIVE INDUSTRY R&D PROGRAM

REQUEST FOR PROPOSALS

Request for Proposal Launch	July 8th, 2020
Expression of Interest/Partner Search Submission	September 1st, 2020
FULL Funding Application Submission Deadline	December 16th, 2020

INTRODUCTION

This Request for Proposals (RFP) is the second call for proposals initiated within the framework of the collaborative industry research and development program envisioned in the Memorandum of Understanding on Bilateral Cooperation in Industrial Research and Development between the Israel Innovation Authority (IIA) and the Indiana Economic Development Corporation (IEDC), which was signed on the 9th of May 2018. This RFP will be executed by the designated cooperating authorities (the IIA and IEDC, respectively). Both the IIA and IEDC have committed to funding a series of projects that meet the criteria provided herein upon mutual approval for the support of bilateral collaboration projects. The IIA and IEDC expect companies to seek collaboration partners independently but will assist companies in identifying relevant partners.

MODES OF COLLABORATION

Bilateral R&D Track

Companies from Israel and Indiana will be funded for their activities in the joint R&D project by Innovation Authority and IEDC, respectively. However, partners either from Israel or from Indiana may choose to self-fund their part in the project without applying for a grant. Those cases must be approved in advance by the cooperating authorities.

Given the collaborative nature of the projects envisioned, funding from Israel Innovation Authority is contingent on the Indiana company receiving funding from IEDC or certifying it will self-fund its participation. Similarly, funding from IEDC is contingent on the Israeli company receiving funding from Israel Innovation Authority or certifying it will self-fund its participation.

The projects are expected to be balanced in terms of budget, contribution and expected gain for both Israeli and Indiana partners. Generally, projects where both parties have at least 30% of the budget and technical contribution will be considered as balanced for the purposes of this RFP.

Pilot Validation Track

Israeli companies would be hosted by Indiana companies for the purpose of Pilot and validation testing of their products/prototypes. The Innovation Authority would provide the Israeli companies with financial support according to IIA rules and Indiana would provide (i) validation sites that allow Israeli companies to test adapt and validate their technologies (ii) on-site guidance as well as support for the companies (iii) A potential scale-up and procurement path and (iv) regulatory guidance.

TECHNOLOGICAL FIELDS

The main objective for this RFP is to stimulate generation and development of new or significantly improved products or processes for commercialization in global markets. The focus of this RFP will be on the following technology domains:

1. COVID-19 Response Technologies & Additional Life Science Products & Applications

Activities that support technological and operational advancements to support life science initiatives. This is an opportunity for an Israeli company to partner with an Indiana company to disrupt traditional manufacturing processes and to innovate together to address an initiative that helps people globally live better, healthier lives. Preference will be given to companies focused on COVID-19 response efforts both as it pertains to life science uses, but also broader technological applications.

2. Smart & Advanced Manufacturing

Projects to modernize operations or integrate smart technologies and processes in order to improve capacity, speed and quality. Indiana is a global leader in Manufacturing with one in five Hoosiers (Indiana residents) working in the industry. Smart manufacturing includes technologies such as 3D printing, data analytics, and augmented reality/virtual reality, while advanced manufacturing uses cutting-edge technology and processes to gain competitive advantages in the market in areas such as safety, quality, productivity and cost.

3. Secure 5G

Indianapolis is one of only two U.S.-based metro areas selected to launch two major 5G broadband networks. This is a unique opportunity to utilize Indiana's 5G network infrastructure to propel new technologies, products, and applications. e.g. AI, Blockchain, Robotics, Computer Vision, & E-Sports

4. Trusted Microelectronics

Indiana is focused on becoming a hub for microelectronics manufacturing. Companies and initiatives focused on the ecosystem of microelectronics manufacturing, microfabrication and related design applications will be prioritized.

Expressions of interest having potentially high impact will be accepted in technology domains beyond those specified above.

ELIGIBLE PARTICIPANTS

Industrial R&D projects must involve at least one Israeli R&D company and one Indiana – based company. Participation by research institutions/universities as subcontractors on the project is welcome, consistent with the regulations in effect for each funding organization.

Israeli Companies

Israeli companies must be R&D performing companies registered and operating in Israel.

Indiana Companies

Indiana companies must meet the following eligibility criteria to apply for funding from this program:

- a) Be an Indiana-based entity, located in Indiana, registered to do business in the state with the Indiana Secretary of State with at least 51% of payroll to employees within the state with annual revenue under \$100 million.

- b) Be an advanced-technology or knowledge-based business in one of the technological fields listed above.
- c) Have a protected intellectual property position or a distinct competitive advantage. The product should not be easy to replicate and should include intellectual property such as trade secrets, patents and trademarks.
- d) Have a high-impact business model that shows potential for the company to grow into sizable businesses in the state, creating high-wage jobs and revenues.
- e) Have money invested by the principals and/or founders, and/or have raised initial capital from others (sources include friends, family, banks, etc.).

CRITERIA FOR SUPPORT

R&D Projects should demonstrate a high level of innovation in addition to a well-constructed and plausible commercialization path. Abilities of the companies to perform the R&D as well as the synergies between the Israeli and the Indiana company will be a necessary requirement

For a collaborative project to be eligible for funding, the application must be submitted by an Israeli company and an **unrelated** Indiana-based company. For the purposes of this RFP, companies are considered unrelated if they have separate legal identities and do not have a parent/wholly-owned or controlled subsidiary relationship. It is permissible that the Israeli and Indiana companies may have a prior working relationship, but they may not apply for funding on any specific project where they have executed a collaborative R&D agreement for the same or similar work prior to the date this RFP was issued.

FUNDING AVAILABILITY & RESTRICTIONS

Israel

The Israel Innovation Authority intends to provide conditional grants from its R&D fund at up to 50% of the eligible and approved costs of the R&D, in accordance with the applicable laws and regulations. Additional funds may be available to companies operating in developing zones. Higher funding levels may apply for pre-competitive applicative research projects. Further details regarding grants and payment of grants (if the project yields sales revenue) are available at the on the IIA website on the [track for Bilateral R&D page](#).

Indiana

The IEDC intends to make awards within the criteria identified below. Disbursements will be reimbursed to the recipient quarterly, consistent with the planned expenses for that quarter, up to the total value of the IEDC share of the total project cost. Allowable expenses may include direct labor, subcontractors, consultants, equipment purchases directly tied to project goals, and consumable materials and supplies. No pre-award cost recovery will be permitted. IEDC commits to adequately funding the projects in accord with the matching requirements noted herein.

Recipients of IEDC funding will be required to submit quarterly technical and financial reports during the project execution phase, along with a final report at the completion of the project. Additionally, recipient companies will be required to submit annual reports for the five year period following project completion that describe the commercialization activities resulting from the project and the associated jobs created, and revenue achieved within the state of Indiana.

Project Duration

not to exceed 24 months from the date of award

Maximum Award From IEDC

not to exceed \$500,000 per project over the project duration

Minimum Award From IEDC

not less than \$50,000 per project over the project duration

Cost Share

the Indiana recipient company will contribute an equal or greater amount of funding toward the approved project than the amount of funding that will be provided by IEDC. Criteria for qualifying cost share will be provided to applicants upon request. Cost share above the minimum required will be seen as a positive evaluation criterion.

PROCESS

A company may submit more than one application to this RFP should a company in either country have multiple project opportunities with multiple partner companies in the other country. Prior consultation with the respective funding authorities (Israel Innovation Authority in Israel and IEDC in Indiana) is strongly advised.

PROPOSALS APPLICATION PHASES**PHASE 1: Expression of Interest Form/Partner Search Form**

Expression of Interest Form/Partner search form submitted by interested Israeli and Indiana companies.

- a) The Indiana company will submit its application to the IEDC at international@iedc.in.gov
- b) The Israeli company will submit its application to the IIA at asaf.aharon@innovationisrael.org.il

The IIA and IEDC will screen the **Expression of Interest Form** and will mount searches for possible partners according to the specifications listed and submit a list of possible partners with their contact details within 2-3 weeks of receipt.

SUMMARY OF PHASE 1 REQUIREMENTS

ISRAELI COMPANY	INDIANA COMPANY
Expression of interest form Partner Search Form (Appendix A)	Expression of interest form Partner Search Form (Appendix A)

PHASE 2: Submission of Full Proposal

This phase is open only to those companies who have received an invitation to submit a full proposal based upon review of the Phase 1 application.

Phase 2 will require each company to submit a funding application according to the guidelines and regulations of each respective funding organization (IIA and IEDC). Specific forms and/or formats will be provided to those companies invited to submit a full proposal at the time they are issued their invitation to propose.

Participating companies must develop their own cooperation agreement(s) for IP sharing and terms of commercialization. Should the companies' proposal be selected for award, no funds will be released for execution until the companies have provided documentation of the cooperation agreement(s) that will be in effect for performing the project work. A template outlining the contents expected in the company-to-company cooperation agreement is provided at Appendix A.

Each funding organization will award funding to successful applicants based upon its own guidelines and procedures.

- a) The Indiana company will submit its full application to the IEDC at international@iedc.in.gov
- b) The Israeli company will submit its full application to the IIA online. Application instructions can be found at [track for Bilateral R&D](#)

SUMMARY OF PHASE 2 REQUIREMENTS

ISRAELI COMPANY	INDIANA COMPANY
IIA National Funding Application (to be found on the AAI website at track for Bilateral R&D)	Technical and Cost Proposal Forms (to be provided with invitation to propose)
Additional Proposal Forms, as applicable (to be provided with invitation to propose)	Additional Proposal Forms, as applicable (to be provided with invitation to propose)

EVALUATION CRITERIA

Proposals submitted in response to this RFP will be evaluated using the following merit criteria:

1. Technical Merit

- a) Significance of the problem being solved/opportunity identified
- b) Degree of innovation in the proposed solution
- c) Technical feasibility

2. Commercial Merit

- a) Size of the potential market
- b) Extent to which the need/demand for the product or process can be validated

3. **Ability To Carry Out The Proposed Research Successfully**
 - a) Soundness of approach and accompanying work plan
 - b) Adequacy of management plan
 - a) Qualifications of key members of the project team
 - b) Strength of the partnership between the Indiana and Israeli companies
4. **Ability of The Companies To Commercialize The Resulting Technology Successfully**
 - a) Current position in the target market
 - b) Adequacy of commercialization plan
 - c) Ability to secure necessary funding
5. **Potential Economic Benefit**
6. **Leverage on Public Investment**
 - a) Appropriateness of the budget relative to the proposed work plan

TIMELINE FOR SUBMISSION & REVIEW

ACTION	DESCRIPTION	PERIOD
IEDC & II Program Opening	Open of the Call for Proposals: publishing the program's details for Israeli companies on the IIA website and on the IEDC website promoting the program through marketing channels.	July 8, 2020
IEDC & IIA Partner Search Company Submissions	Companies submit Phase 1: Partner Search form for Joint Submission of a Request for Proposal. Israeli companies submit to the IIA; Indiana companies submit to the IEDC.	September 1, 2020
IEDC & IIA Company Submissions	<p>The IEDC and IIA will mount partner searches: After the companies are matched, they will be introduced and they will start working on the idea for the mutual R&D project and to negotiate a letter of intent (LOI) document, that will summarize the basic understanding between the sides. It should include the focus of the project, future agreement about the IP from the project, commercialization and distribution rights etc.</p> <p>Indiana and Israeli companies that managed to achieve basic understanding would be invited to submit a Full Proposal.</p> <p>Israeli companies will submit a full proposal to the IIA & Indiana companies will submit a full proposal to the IEDC.</p>	September 15-25, 2020
IEDC & IIA Company Submissions	Submission of Full Proposal. Israeli companies submit to the IIA; Indiana companies submit to the IEDC.	2 MONTHS December 16, 2020

INDIANA Review	The IEDC reviews the proposals and conducts a full technological and financial examination of the proposed projects and companies.	41 DAYS January 26, 2021
IIA Full Examination	The IIA conducts a full technological and financial examination of the proposed projects and companies.	
IEDC & IIA Joint Committee Discussion and Preparation	The IEDC updates the IIA's program manager about the recommended companies.	2 WEEKS February 9, 2020
	The IIA's program manager updates the IEDC about the reviews of the companies.	
	The IIA and IEDC joint committee grade the projects combining IIA reviews and IEDC recommended companies.	
IIA Decision Making	The IIA's program manager presents to the IIA research committee with the joint committee recommended projects.	1 DAY February 10, 2021
	Subsequently, the IIA's research committee decide regarding approving projects and the percentage of funding to be given. Those decisions will be pended on the decision of the joint committee of the IIA and IEDC.	
IEDC & IIA Final Approval	The program manager notifies the IEDC regarding the IIA's decisions.	1 WEEK February 17, 2021
	The IIA and the IEDC joint committee makes final selection.	
IEDC & IIA Companies Notification of Final Decision	The IIA and IEDC notifies the companies regarding the final decisions, both successful and unsuccessful.	1-7 DAYS ~February 24, 2021
	Approved companies receive instructions for the next steps – mainly about submitting a detailed agreement with IEDC, receiving the IIA's grant, and reporting progress procedures.	
IEDC & Companies Agreement Signing	Approved companies and the IEDC sign a detailed agreement for their collaboration project, including IP rights and future steps.	1 MONTH (approx.) ~ March 2021
	The companies submit the signed agreements to the IIA in order to start receiving the approved funds.	
Project Launching	Approved projects start using IIA's and IEDC's funds.	1 MONTH (approx.) ~ April 2021

CONTACTS

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