

Israel - Indiana 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 6th, 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

- a) [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.

- b) [Pilot and 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 and Additional Life Science Products and 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.

1. For Israeli companies:

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

2. For 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 and Restrictions

1. In 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.

2. In 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.

Number of Awards Anticipated

Israel Innovation Authority and IEDC envision making multiple awards under this RFP, depending on the merit of the project proposals, the budgets associated with those proposals, and the overall availability of funds. Israel Innovation Authority and IEDC reserve the right to

make no awards if the quality of proposals does not support funding any of the projects under review during the application and proposal cycle.

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 (if needed) submitted by interested Israeli and Indiana companies

The Indiana company will submit its application to the IEDC. Please email applications to: international@iedc.in.gov

The Israeli company will submit its application to the IIA. Please email applications to: NA@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 (download from the CFP page) Companies that are searching for a partner can submit: Partner Search Form (download from the CFP page)	Expression of interest form (download from the CFP page) Companies that are searching for a partner can submit: Partner Search Form (download from the CFP page)

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.

The Indiana company will submit its full application to the IEDC. Please email applications to: international@iedc.in.gov

The Israeli company will submit its full application to the IIA online.

Summary of Phase 2 Requirements

Israeli Company	Indiana Company
IIA National Funding Application letter of intent (LOI)	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
- c. Qualifications of key members of the project team
- d. 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

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APPENDIX A: PARTNERSHIP AGREEMENT SKELETON

DESIGNATION OF THE PARTIES

Identify all the participating parties and their official representatives.

PREAMBLE

- Describe the context of the cooperation, its objectives and scope.
- Define the purposes of the consortium agreement (i.e. to specify the relationship among the parties, in particular concerning the organization of the work between the parties, the management of the bi-lateral project and the rights and obligations of the parties, liability, intellectual property rights and dispute resolution).

ARTICLE 1 - DEFINITIONS

Define the key legal and technical terminology in order to avoid misunderstanding.

ARTICLE 2 - IMPLEMENTATION OF THE BI-LATERAL PROJECT

- Describe the project in general terms and refer to technical annex for details, including work packages, allocation of tasks, milestones and planning of the Bi-lateral project.
- Define the foreseen achievements in terms of deliverables.
- Describe the technical responsibility and contribution (personnel, facilities, equipment, materials, etc.) of each party in the implementation of the Bi-lateral project.
- Indicate how much and what kind of assistance parties are obliged to give to each other in order to secure the proper execution of the Bi-lateral project.
- Determine reports (financial, technical...) to be submitted and timetable.

ARTICLE 3 - PROJECT MANAGEMENT

- Define the roles and responsibilities of each party from an administrative, legal, financial and technical point of view? Specify the additional duties of the leading party.
- Define the internal organization of the consortium (e.g. management bodies, committees and/or working groups; communication between the parties, prior notification, etc.).
- Describe the different bodies: role and internal rules (i.e. how are the members appointed? how decisions are taken? how many and when meeting will be organized?)

- Define the procedures set up to monitor and follow up the Bi-lateral project from a scientific, technical and financial point of views.
- Describe procedures in case of additional tasks or review of the initial work plan.
- Determine conditions under which existing parties may withdraw from the Bi-lateral project, or reduce or increase their contribution.
- Indicate to which extent subcontracting is possible.
- Define conditions under which additional parties may join the Bi-lateral project.

ARTICLE 4 - FINANCIAL ISSUES

- Indicate the global budget of the Bi-lateral project and the planning of expenses for each participant.
- If the planning is not observed, how and to which extent the schedule and budget may be adjusted?
- Indicate any national requirements (e.g. financial reports).

ARTICLE 5 - INTELLECTUAL PROPERTY RIGHTS

5.1 OWNERSHIP

- Define how the property of the project's results will be allocated between the parties.
- Describe how joint ownership will be managed.
- Define conditions under which property of pre-existing know-how and project results may be transferred between the parties and towards third parties (notably affiliated entities).

5.2 PROTECTION OF THE PRE-EXISTING KNOW-HOW AND PROJECT RESULTS

Indicate how the project's results will be protected (type of protection, duration, etc.).

5.3 ACCESS RIGHTS TO AND EXPLOITATION OF PRE-EXISTING KNOW-HOW AND

PROJECT RESULTS

- Determine which and how pre-existing know-how (protected or not) has to be exchanged for the proper execution of the Bi-lateral project.

- Define the access rights (including financial conditions, if any) to be granted to use the pre-existing know-how and project results (protected or not) during the implementation of the Bi-lateral project.
- Define the access rights (including financial conditions, if any) to be granted for exploitation of project's results.
- Determine if and to which extent exclusive license may be granted between the parties and towards third parties.
- May sub-licenses be granted?
- Indicate whether access rights to third parties or affiliates are possible.
- Indicate how the parties will exploit the project results, i.e. jointly or separately.
- Indicate conditions for exploitation by third parties.
- Define potential royalties, or least principles for agreeing on potential royalties.

ARTICLE 6 - CONFIDENTIALITY

- Indicate to what extent information disclosed during the Bi-lateral project has to be considered as confidential.
- Stipulate which type of documents should be stamped and treated as "confidential" and the eventual exceptions.

ARTICLE 7 - PUBLICATIONS

Define to which extent publications of the project results are allowed and under which conditions.

ARTICLE 8 - LIABILITY

- Indicate to what extent a party causing damages or injury to another party or to goods or persons will be held liable.
- Define possible actions and financial penalties in case of damage or injury, including in case of withdrawal, fault or dismiss from the consortium?
- Define actions, solutions, penalties in case of bankruptcy.
- Provide for actions and remedies in case of *force majeure*.

ARTICLE 9 - FINAL CLAUSES

9.1 ENTRY INTO FORCE

Define when the consortium agreement comes into force and ends. Indicate whether part or all of its provisions are concerned.

9.2 TERMINATION

Determine the termination clauses and the consequences of the withdrawal of one or more parties, particularly in terms of communication, ownership and exploitation of the project's results.

9.3 LANGUAGE

Define the language in which the consortium agreement is drafted, as well as worked in.

9.4 GOVERNING LAW AND COMPETENT COURT

- Provide for a governing law of the consortium agreement
- Decide and organize which the dispute resolution methods in case of internal conflict: competent court or alternative dispute resolution systems, like mediation, conciliation or arbitration.