



## **Request for Proposals – To Promote Innovation Through Investments in R&D Infrastructure, Equipment, and Technology Upgrades that will Lead to Meaningful Economic Impact**

**Please respond by **Friday, April 24, 2020****

**Maine Technology Institute  
8 Venture Avenue  
Brunswick Landing  
Brunswick, Maine 04011**

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**IMPORTANT NOTICE:** Given the pandemic crisis and associated workflow disruptions in Maine organizations, **MTI will be extending the MTAF2.5 deadline out a month to April 24, 2020.** This will also shift the review and decisioning processes by a month, as well. Please see the updated timetable and feel free to reach out to the listed MTI contacts with any questions.

### **Introduction and Project Goals**

The Maine Technology Institute (MTI) is soliciting Maine Technology Asset Fund 2.5 (MTAF 2.5) proposals from public and private Maine entities to help cost-share investments in infrastructure, equipment and technology upgrades in the following targeted technology sectors: biotechnology, aquaculture and marine technology, composite materials technology, environmental technology, advanced technologies for forestry and agriculture, information technology, and precision manufacturing technology. Funds will be awarded through a competitive process and recipients will be required to match these State dollars with at least an equivalent amount of private funds.

MTAF 2.5 represents the continuation of a funding round that began in 2018 as the result of an allocation of bond dollars by the State of Maine for investment in Research, Development & Commercialization (RDC). \$2 million in total funding is available through this solicitation; however, individual applicant requests are capped at \$500,000 per entity.

In soliciting proposals, MTI's objectives are to obtain funding pitches from Maine-based public and private entities to cost-share investments in infrastructure, equipment, and technology upgrades that enable organizations to gain and hold market share, increase revenues, and expand employment or preserve jobs for Maine people. Applicants will be required to demonstrate that the MTI funds will leverage other funds on at least a one-to-one basis and will lead to meaningful economic impacts in the State of Maine.

Through administration of MTAF 2.5 funding, MTI will seek to make strategic investments in entities whose business models support goals reflected in the State of Maine Economic Development Strategy (2020-2029), including those that: 1) stand to increase average annual wage in the State; 2) contribute to increases in value-added production; and 3) attract out-of-state people to Maine’s talent pool.

## Eligible applicants

At the time of the potential investment, applicants must be Maine-based organizations or establish a core footprint in Maine. They will need to:

- Be a registered Maine business,
- Have a significant presence in Maine, or
- Have plans to establish a presence in Maine. Typically, any investments approved by MTI will not be disbursed until substantial progress has been made in securing a location and/or activities are underway in Maine.
- Provide a minimum of 1:1 cost sharing for the project

At the time of submission, the applicant must be in compliance with all laws, rules, regulations and ordinances of the United States, the State of Maine, and if awarded, must remain in compliance during the project’s duration.

Entities that received MTAF 2.0 funding are not eligible for consideration during the MTAF 2.5 round.

## Timetable

The following timetable, **which is subject to change**, will guide the process to assure a timely response for all parties:

Issuance of request for proposal	February 17, 2020
Deadline for written proposals	On or before April 24, 2020
MTI Pitch Deck Reviews; Selection of Finalists; Requests for/Receipt and Review of Additional Due Diligence Materials from Applicants	May 2020
Final Funding Decisions	June 8, 2020

## Submissions and Proposal Format

Applicants will need to register for MTI’s on-line portal [here](#).

**The portal will open beginning on February 17, 2020.**

- Applicants will be asked to provide MTI with basic company/project information and will also be asked to specify who should and shouldn’t review the materials due to potential conflicts of interest.

Project requests shall not exceed \$500,000 per entity, although smaller requests are welcome and encouraged.

Applicants must demonstrate how the MTAF 2.5 funds will help them:

- Gain and hold market share
- Increase Revenues (preference for revenue sources outside Maine)
- Expand employment
- Preserve jobs

Funds must be used for infrastructure – capital construction, improvements, or equipment costs.

Project or recipient must be associated with research, development and commercialization innovation continuum.

Project or recipient must be within, or at intersection of, one or more of Maine's seven technology sectors (biotechnology, aquaculture and marine technology, composite materials technology, environmental technology, advanced technologies for forestry and agriculture, information technology, and precision manufacturing technology).

Submissions will take the form of a 10-slide pitch deck.

Decks should include:

- Why applicant meets all program parameters?
- What applicant will do with the award and cost-sharing?
- How will it lead to maximizing the impacts associated with one or more of the four required economic outputs (For example: How will it enable organizations to gain and hold market share, increase revenues, and expand employment or preserve jobs for Maine people?)?
- What is the timeline for the project and projected economic outputs?
- What is the estimated cost of the project and how much will the applicant seek from MTAF 2.5?
- How is the project associated with the research, development and commercialization continuum?
- Who is on the applicant's team?
- Why is MTAF 2.5 the right source of capital for the project?

**Proposals must be received by MTI no later than 5:00 PM EST on April 24, 2020 and must be uploaded to MTI's on-line portal.** Timely delivery of the proposals is the sole responsibility of the applicant. Proposals received after the stated date/time will not be considered. All applicants acknowledge and understand that MTI will not pay for any costs incurred in connection with the preparation or submission of a proposal.

## **Selection process**

Proposals will be evaluated by MTI's internal review team. The team will select finalists who will then be asked to submit additional due diligence materials. Those requested materials will likely include:

- ✓ Financials - the most recently completed year's financials, including income statement (P&L) and balance sheet; current year-to-date financials; cash flow statements; and projected annual financials for the period of the proposed project and economic outputs
- ✓ Inputs or data leading to projections of economic outputs
- ✓ Project budget by line item
- ✓ Detailed Scope of Work (SOW)
- ✓ Details of the organization and project team

MTI will also ask applicants for some statistics about their organization (which will be kept confidential) including number of employees, revenues, and industry by NAICS code. MTI may also ask for deidentified or aggregate compensation levels, as well, to fully understand economic impact. If the proposed project is a highly complex or technical one, applicants should also likely be prepared to provide technical details and/or data backing up milestones of the scope of work.

Projects that meet the program parameters and have potential for the strongest demonstrable program outputs will be selected for grant awards. MTI will look at the "Return on Investment" (ROI) – or amount requested balanced against the projected economic outputs.

Beyond the required outputs criteria, MTI will use a portfolio approach to decision-making, balancing various factors in its award decisions including the following:

- ✓ geography
- ✓ business attraction with business retention
- ✓ far-to-market with near-to-market economic outputs
- ✓ big bets with sure bets
- ✓ company maturity level

While cost-share does not have to be identified at time of application, the applicant may capture funds expended for the proposed project as cost-share from the time of application submission if the funds expended are from a private or Federal source (non-State funds).

MTI reserves the right to reject any and all submissions without the right of recourse by proposers.

## **Inquiries**

Inquiries or notices concerning this RFP should be directed to:

Claire Eaton, Director of Investment Operations & Special Projects	
Maine Technology Institute	Telephone: (207) 582-4790
8 Venture Avenue, Brunswick Landing	Fax: (207) 582-4772
Brunswick, ME 04011	Email: ceaton@mainetechnology.org

Responses to questions received will be posted as Frequently Asked Questions (FAQ) on [www.mainetechnology.org](http://www.mainetechnology.org).

## **About: Maine Technology Asset Fund 2.5**

MTAF 2.5 represents the continuation of a funding round that began in 2018 as the result of allocation of bond dollars by the State of Maine for investment in Research, Development & Commercialization (RDC).

The funds provided under the original Maine Technology Asset Fund 2.0 (MTAF 2.0) program were general obligation bond dollars provided through a public law approved by the Maine Legislature, signed by the Governor in 2016, and subsequently approved by Maine's voters in June 2017:

**Law enacted (April 2016)** "An Act to Authorize a General Fund Bond Issue to Stimulate Investment in Innovation by Maine Businesses to Produce Nationally and Globally Competitive Products and Services" LD 1053, Public Law Chapter 479.

**MTI's portion of Question 1: Bond Issue (June 2017):** "\$45,000,000 in funds for investment in research, development and commercialization in the State to be used for infrastructure, equipment and technology upgrades that enable organizations to gain and hold market share, to increase revenues and to expand employment or preserve jobs for Maine people, to be awarded through a competitive process to Maine-based public and private entities, leveraging other funds in a one-to-one ratio"

**Intent and Content Prepared by the Office of the Secretary of State in the "Maine Citizen's Guide to the Special Referendum Election, June 13, 2017":** "Forty-five million dollars (\$45,000,000) would be distributed by the Maine Technology Institute in the form of grants to support infrastructure, equipment and technology upgrades in the following targeted technology sectors: biotechnology, aquaculture and marine technology, composite materials technology, environmental technology, advanced technologies for forestry and agriculture, information technology, and precision manufacturing technology. Funds would be awarded to public and private entities in Maine through a competitive process, and recipients would be required to match these State dollars with an equivalent amount of federal or private funds."

A small portion of the grant monies allocated under the 2018 MTAF 2.0 program (\$2M) has become available for redistribution in 2020. MTI will administer the MTAF 2.5 program in alignment with the mandate outlined in the original bond legislation. Specifically, MTI will look to invest in research, development and commercialization projects that will fund infrastructure, equipment and technology upgrades that enable organizations to "gain and hold market share, increase revenues, and expand employment or preserve jobs for Maine people."

#### **Same bond, same process –**

The original MTAF 2.0 program design incorporated feedback from a variety of stakeholders and potential applicants that helped develop program parameters, which will be integrated as part of MTAF 2.5, including the following:

- ✓ A low-barrier 10-slide "pitch deck" to "pre-qualify" applicants and to determine appropriate level of due diligence
- ✓ Scaling due diligence to appropriate funding request level and economic output of request
- ✓ As little prescriptive design, as possible
- ✓ Allow cost share to be used for non-capital expenses

# About Maine Technology Institute

## **Mission/Purpose**

The Maine Technology Institute's core mission is to diversify and grow Maine's economy by encouraging, promoting, stimulating, and supporting innovation and its transformation into new products, services and companies, leading to the creation and retention of quality jobs in Maine.

The Maine Technology Institute (MTI) is an industry-led, State-funded, nonprofit corporation that offers early-stage capital and commercialization assistance in the form of competitive grants, loans, and equity investments, as well as entrepreneurial guidance and mentorship, to support the research, development, and application of technologies that create new products, processes, and services, generating high-quality jobs across Maine. Additionally, MTI is asked on occasion to administer a variety of research and development-focused bonds and other initiatives on behalf of the State to stimulate private and public sector investments in research and development infrastructure, equipment, facilities construction and renovation, and to help advance emerging technologies and innovation throughout Maine.

Since 1999, MTI has funded innovations developed by Maine inventors in garages all the way up to large public companies, world renowned research organizations, and academic institutions. We have funded diverse projects leading to innovations in gene sequencing and ocean microbial systems, guitar and surf board manufacturing, vodka from Maine potatoes, algae cultivation and eel aquaculture, to name but a few.

MTI's programs help innovators accelerate progress to the market, help leverage additional private and public investment, help create quality jobs in Maine, and ultimately, have a positive economic impact across all of Maine. MTI has provided careful stewardship and investment of over \$270 million in public funds across more than 2,800 projects throughout Maine that helped leverage over \$1 billion in private sector co-investment.

MTI adopted a new Strategic Plan in 2017 that builds upon MTI's legacy and emphasizes investments in innovations, utilizes a comprehensive strategy for portfolio investments that highlights three main funding "buckets," focuses on investments in the later stage of the innovation continuum, increases attention to geographic distribution, clarifies MTI's commitment as a leader in Maine's innovation economy, and collects and reports data on the organization's performance and impact.

The strategic plan also requires that the organization ensure an outreach and marketing plan for communicating and amplifying MTI's profile and effectiveness is designed.

Today, MTI administers a variety of financial and assistance programs that help Maine companies develop technologies into market-ready products and services, improve production processes, and access the capital that they need to grow. MTI remains the State's only source of private-sector-focused, R&D financing leading to new products and services, job creation and other economic benefits. Its efforts have been guided by the State's five-year innovation action plans, and its performance has been evaluated annually or bi-annually by an independent evaluation commissioned by the Maine Department of Economic and Community Development.