

Alabama Research and Development Enhancement Fund
2020 Funding Opportunity Announcement



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ALABAMA RESEARCH AND DEVELOPMENT ENHANCEMENT FUND
FUNDING OPPORTUNITY ANNOUNCEMENT (FOA)

***Support and Advancement of Research and Development
in Alabama***

Issue Date: March 1, 2020

Application Due Date: July 29, 2020

The Energy Division of the Alabama Department of Economic and Community Affairs (ADECA) is seeking applications from Alabama Research Entities to conduct research and development activities within the state of Alabama.

PART I GENERAL INFORMATION

A. Summary

The Alabama Research and Development Enhancement Fund (ARDEF) established by the Alabama Innovation Act (AIA) is administered by ADECA for the purpose of encouraging new and continuing efforts to conduct research and development activities within Alabama.

This solicitation focuses on encouraging these activities by supporting and advancing research and development in Alabama to improve employment opportunities and products and services available to the citizens of Alabama.

Successful applicants will describe in detail research and development activities to be performed and potential impacts in terms of job creation and economic development.

This FOA does not indicate acceptance or approval of any application in response to this request. No grant payment can be made until a fully executed document is in place. Therefore, applications selected for funding shall not perform any work prior to an executed agreement.

B. Funds Available

The total amount of funds available for this solicitation is \$2,572,000. One or more awards may be made under this solicitation but the total for all awards will not exceed \$2,572,000.

Individual grants awarded by ADECA may not exceed the lesser of:

1. Twenty percent (20%) of the total grant funds awarded in a single fiscal year. The maximum available for this fiscal year award is \$970,000 contingent on the projects funded, or
2. An amount equal to the sum of the following:
 - A. Ten percent (10%) of the following:
 - Contract research expenses for qualified research conducted in Alabama during the fiscal year preceding the fiscal year for which grant funds are being awarded, minus
 - Fifty percent (50%) of the contract research expenses conducted in Alabama, on average, over the three fiscal years preceding the fiscal year for which the grant amount is being determined.
 - B. Twenty-five (25%) percent of the following:
 - Consortium research expenses for qualified research conducted in Alabama during the fiscal year preceding the fiscal year for which grant funds are being awarded, minus
 - Fifty percent (50%) of the consortium research expenses conducted in Alabama, on average, over the three fiscal years preceding the fiscal year for which the grant amount is being determined.

Contract research expenses are defined as any amount paid by a business enterprise to an Alabama research entity (other than an employee of the research entity) for qualified research, but not including any of the following:

- Consortium research expenses; or
- Expenses for research activities performed outside Alabama.

Consortium research expenses are defined as any amount paid or incurred by any Alabama research entity for qualified research, but not including any expenses for research activities performed outside Alabama.

C. Funding Allocation

The grants shall be allocated among eligible applicants using the procedures in this section.

1. As applications are submitted, ADECA shall approve any they deem sufficient, until the total approved applications represent the total available grant funds for the applicable fiscal year or the 150-day application period has ended, whichever comes first. All applications received on the day that the total for the applicable fiscal year is reached shall receive approval for a pro rata share of the credits available at the start of that day. To the extent that the applications are not approved, the portion not approved shall be conditionally denied by ADECA. Research entities may continue to submit applications

after the total for the applicable fiscal year is reached until the 150-day application period has ended, and applications that ADECA deems sufficient shall be conditionally denied but maintained in the order received.

2. If grant funds for the corresponding fiscal year are returned for any reason or if additional grant funds become available, ADECA shall approve, in the order they were received, the applications that were conditionally denied until the approved applications represent the total of available grant funds for the applicable fiscal year and timely notify benefiting research entities.

D. Match Requirement

Grant funds awarded through this solicitation do not require a match amount.

E. Eligible Applicants

Eligible Research Entities include the following:

1. A public or private university in the state;
2. A university research foundation affiliated with a public or private university in the state;
3. A public two-year college in the state;
4. A publicly-owned hospital in the state;
5. An entity duly formed, domiciled or qualified to do business in the state that meets each of the following criteria:
 - a. Is exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code of 1986, as amended;
 - b. Is predominantly engaged in research and non-commercial development activities undertaken for the purpose of discovering information that is technological or biotechnological in nature, involves a process of experimentation, and the application of which is intended to be used in the development of a new or improved product, service or treatment;
 - c. Has its headquarters and principal place of business in the state; and
 - d. Has, or is anticipated to have, at least 75 percent (75%) of its property and payroll in Alabama, using the property and payroll factor calculations found in Title 40.

F. Activity Eligibility

Proposed applicants must demonstrate the potential to improve employment opportunities and products and services available in Alabama through new and continuing research and development activities.

Eligible activity categories must be predominantly any one or more of the following:

1. Described by NAICS Code 1133, 115111, 2121, 22111, 221330, 31 (other than 311811), 32, 33, 423, 424, 482, 4862, 48691, 48699, 48819, 4882, 4883 (other than 48833), 493, 511, 5121 (other than 51213), 51221, 517, 518 (without regard to the premise that data processing and related services be performed in conjunction with a third party), 51913, 52232, 54133 (if predominantly in furtherance of another activity described in this section), 54134 (if predominantly in furtherance of another activity described in this section), 54138, 5415, 541614, 5417, 55 (if not for the production of electricity), 561422 (other than establishments that originate telephone calls), 562213, 56291, 56292, 611512, 927 or 92811.
2. The production of biofuel as such term is defined in Section 2-2-90 (c) (2).
3. A target of the state's economic development efforts pursuant to either of the following:
 - a. The Accelerate Alabama Strategic Economic Development Plan adopted in January 2012 by the Alabama Economic Development Alliance, created by Executive Order Number 21 of the Governor on July 18, 2011, or any amended version or successor document thereto, or
 - b. A type listed in a regulation adopted by the Department of Commerce.

G. Due Date and Delivery Address

Applications are due **July 29, 2020** and must be received no later than **5:00 PM** at the following address:

Mailing Address:

ADECA Energy Division
 P.O. Box 5690
 Montgomery, AL 36103-5690

Courier Address:

ADECA Energy Division, Mailroom 404
 401 Adams Avenue
 Montgomery, AL 36104-4325

Applications should be sent to the attention of Mrs. Mary Blackmon, ARDEF Program Manager.

Applications submitted after the due date will not be considered for funding.

H. Right to Reject

ADECA reserves the right to reject, at its sole discretion, any and all applications submitted and to request additional information from applicants. Grant awards will be made to the entity (entities), which, in the opinion of ADECA, is (are) determined to be the best qualified and whose application(s) best meets the requirements of this FOA and the goals of the ARDEF.

I. Proprietary Information

Applications and supporting materials submitted shall become the property of ADECA.

PART II APPLICATION REQUIREMENTS

A. Letter of Transmittal

Each application must be submitted with a letter of transmittal that includes the following:

1. A brief statement of the activities to be performed including a description of the activity's eligibility (see Part I F),
2. The total cost for the activity, and
3. A statement assuring that the person signing the letter is authorized to bind the accompanying application.

B. Application Contents

The Applicant must submit one (1) original and three (3) copies of the application with the following content:

1. Title Page

Title of proposed activity, activity's eligibility category (see Part I F), name of applicant's organization, mailing address, telephone number, e-mail address, name of contact person(s), and date submitted.

2. Executive Summary

Provide a one-page overview of the proposed activities.

3. Project Narrative (10-page limit, minimum size 10 font)

- Provide a detailed description of the proposed activities including a discussion of activities and how methods incorporated will lead to improved employment opportunities and products and services available to the citizens of Alabama. Discuss how program effectiveness will be measured and reported.
- Deliverables/Impacts: Describe how the applicant will submit a quarterly status of the grant. This report shall include percent of completion and percent expended. Additionally, the applicant will describe how progress toward increased research and development activities in Alabama have been achieved.

4. Applicant's Eligibility, Qualifications and Experience (four-page limit)

Give a brief description of the applicant's eligibility (see Part I E) and the qualifications and experience of each staff member assigned to this activity. Identify the specific role of each staff member in relation to the proposed activities.

5. Proposed Budget

The project budget should be submitted in three parts:

a. *Award Maximum Calculations* (See Part IB)

Provide Calculations showing the sum of:

1. Ten percent (10%) of the following:

- a. Contract research expenses for qualified research conducted in Alabama during the fiscal year preceding the fiscal year for which the grant funds are being awarded, minus
- b. Fifty percent (50%) of the contract research expenses conducted in Alabama, on average, over the three fiscal years preceding the fiscal year for which the grant amount is being determined.

2. Twenty-five percent (25%) of the following:

- a. Consortium research expenses for qualified research conducted in Alabama during the fiscal year preceding the fiscal year for which grant funds are being awarded, minus
- b. Fifty percent (50%) of the consortium research expenses conducted in Alabama, on average, over the three fiscal years preceding the fiscal year for which the grant amount is being determined.

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Include documentation, justification, and an explanation of award maximum calculation.

b. *Project Budget* (Attachment A)

Budgets must be broken down into specific cost categories; e.g., personnel, fringe benefits, supplies and materials, travel, contractual, other, and indirect costs.

NOTE: The cost of preparing the application shall be borne by the applicant and is not an allowable expenditure for grant funds or match.

c. *Project Budget Narrative* (Attachment B)

A detailed explanation of the basis for all estimated costs.

6. Grant Applicant Information

The applicant must submit a *Grant Applicant Information Form* (Attachment C) to properly indicate organization and contact information of the individuals involved in the project. Information supplied should be for the eligible entity applying for the award, not for a third party assisting with the application process.

7. State of Alabama – Disclosure Statement

Alabama Act 2001-955 requires the *State of Alabama Disclosure Statement* (Attachment D) to be completed and filed with all proposals, bids, contracts, and grant proposals to the State of Alabama in excess of \$5,000. Complete all lines as indicated. If an item does not apply, denote 'N/A' (not applicable). If you cannot include required information in the space provided, attach additional sheets as necessary. **The form must be signed, dated, and notarized.**

PART III APPLICATION EVALUATION

Applications shall be evaluated on the following criteria

ARDEF FOA Application Review Sheet

Category: **Alabama Research and Development Enhancement Fund (ARDEF)** Reviewer: _____
 Applicant: _____ Date: _____
 Requested Award Amount: \$ _____ Proposed Match Amount: \$ _____

| Requirements | Notes | |
|--|---|--|
| The Letter of Transmittal contains a brief statement of the activities to be performed | Y <input type="checkbox"/> N <input type="checkbox"/> | |
| The Letter of Transmittal contains the total cost of the project | Y <input type="checkbox"/> N <input type="checkbox"/> | |
| The Letter of Transmittal assures the signatory is authorized to bind the application | Y <input type="checkbox"/> N <input type="checkbox"/> | |
| The Applicant is an eligible entity (see Part I, Section E) | Y <input type="checkbox"/> N <input type="checkbox"/> | |
| The Activity Category declared is eligible (see Part I, Section F) | Y <input type="checkbox"/> N <input type="checkbox"/> | |
| The Title Page and Executive Summary are complete | Y <input type="checkbox"/> N <input type="checkbox"/> | |

| Application Contents* (100 possible points) | Points | Score |
|---|---|-------|
| The Project Narrative details the proposed activities including methods for increased improved employment opportunities and products and services provided to citizens of Alabama. | Y <input type="checkbox"/> N <input type="checkbox"/> 20 | |
| The Project Narrative contains a quantifiable and measurable method for evaluating the activities. | Y <input type="checkbox"/> N <input type="checkbox"/> 20 | |
| The Deliverables / Impacts consists of a detailed description of reporting. | Y <input type="checkbox"/> N <input type="checkbox"/> 10 | |
| The anticipated benefits and potential impacts are reasonably estimated. (Plans for sustainability and growth beyond the grant performance period will be evaluated) | Y <input type="checkbox"/> N <input type="checkbox"/> 20 | |
| Applicant eligibility, qualifications and experience of the program staff are reflective of activity roles. | Y <input type="checkbox"/> N <input type="checkbox"/> 10 | |
| Projected expenses are reasonable and cost effective. Budget is realistic with a detailed description of activity costs including basis for cost estimates. Award Amount request does not exceed fund's maximum grant amount. | Y <input type="checkbox"/> N <input type="checkbox"/> 20 | |

Total Points:

| | |
|------------|--|
| 100 | |
|------------|--|

NOTES:

- The Energy Division has the right to reject incomplete applications without review -
 *Criteria evaluated with a "Y" will be allotted a Score ranging from one (1) to the maximum points indicated

PART IV ADDITIONAL REQUIREMENTS

Applicants chosen for award under this solicitation will be required to submit the following upon notification of selection:

Certificate of Compliance with the Beason-Hammon Alabama Taxpayer and Citizen Protection Act –AND– E-Verify MOU

A form entitled CERTIFICATE OF COMPLIANCE WITH THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (Act 2011-535 as amended by Act 2012-491) must be submitted in addition to the following. The form must be signed, dated, and notarized.

The Beason-Hammon Alabama Taxpayer and Citizen Protection Act; Code of Alabama, Section 31-13, imposes conditions that apply to contracts, grants, or incentives by the state, any political subdivision of the state or any state-funded entity where the co-party is a “business entity or employer.” This act will require selected proposers to submit a completed copy of the E-Verify Memorandum of Understanding (MOU) which is generated when the business entity or employer enrolls in that program bearing the number assigned to that MOU by Homeland Security at <https://verify.alabama.gov>.

The following clause will be included in the agreement with the selected proposer:

“By signing this contract, grant, or other agreement, the parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom.”

Local governments, state agencies, state universities, two-year colleges, or instrumentalities of the State are not required to submit an Immigration Compliance form or E-Verify MOU.

PART V PAYMENT INFORMATION

Payments shall be made on a cost-reimbursement basis over the course of the grant period. ADECA anticipates grant periods of two years, or less.

Grant recipients must register in the State of Alabama Accounting and Resource System (STAARS) Vendor Self Service (VSS) portal in order to receive payment. Recipients can elect to be paid via Electronic Funds Transfer (EFT) or paper check when registering.

PART VI QUESTIONS

Questions pertaining to this FOA may be submitted in writing to Mrs. Mary Blackmon, ARDEF Program Manager, at mary.blackmon@adeca.alabama.gov.

PART VII APPLICATION CHECKLIST

YOUR APPLICATION SHOULD INCLUDE THE FOLLOWING:

- Letter of Transmittal (containing all information requested in PART II A)
- Title Page
- Executive Summary
- Project Narrative (containing all information requested in PART II B 3)
- Applicant's Eligibility, Qualifications and Experience
- Budget (Award Maximum Calculations, and Attachments A and B)
- Completed Grant Applicant Information Form (Attachment C)
- Completed, signed, and notarized State of Alabama Disclosure Statement (Attachment D)
- Other information

NOTE: Please keep a complete copy of your APPLICATION (including a copy of all completed and signed attachments).