

Israel - South Carolina Collaborative Industry R&D Program

Request for Proposals

Introduction

This Request for Proposals (RFP) is the fourth call for proposals initiated within the framework of the collaborative industry research and development program envisioned in the Agreement between the Government of the State of Israel and the Government of the State of South Carolina on Bilateral Cooperation in Industrial Research and Development, which was signed on 15 October 2013. This RFP will be executed by the designated cooperating authorities (the Israel Innovation Authority (IIA) and the Global Alliance for South Carolina (GASC), respectively).

This RFP is designed to promote opportunities for conducting joint industrial R&D projects between entities from Israel and from South Carolina. Joint projects awarded through this program will be funded through existing funding mechanisms accessible to IIA and GASC, respectively, and may be leveraged by other investments consistent with the policies and procedures of each state.

IIA and GASC expect companies to seek collaboration partners independently, but will assist companies in identifying relevant partners. The IIA holds a database of Israeli technology companies and provides “on-demand” partner matching services. GASC has direct access to a state-wide database of established companies in the six technology domains that are the focus of this RFP.

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. Biomedical / Life Sciences
2. Advanced Materials
3. Sustainable Energy / Water / Agriculture Systems
4. Transportation (Aerospace / Automotive)
5. Defense / Homeland Security
6. Insurance / Health Information Technology

Bilateral proposals having potentially high impact will be accepted in technology domains beyond the six areas specified above.

Mode of Collaboration

This RFP offers a parallel funding track for collaborations: companies from Israel and South Carolina will be funded for their activities in the joint R&D project by IIA and GASC, respectively. However, partners either from Israel or from South Carolina 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 IIA is contingent on the South Carolina company receiving funding from GASC, or certifying it will self-fund its participation. Similarly, funding from GASC is contingent on the Israeli company receiving funding from IIA, 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 South Carolina 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.

Eligible Participants

Industrial R&D projects must involve at least one Israeli R&D company and one South Carolina – 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:

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

2. For South Carolina companies:

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

- a. Be a South Carolina-based entity, located in SC, established and registered with the SC Secretary of State with at least 51% of payroll to employees within the state.
- 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.).

3. For both partner companies:

- a. For a collaborative project to be eligible for funding, the application must be submitted by an Israeli company and an **unrelated** South Carolina-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 South Carolina 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 the its R&D fund, not to exceed 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 [IIA web site](#).

2. In South Carolina:

GASC intends to make awards within the criteria identified below. Disbursements will be advanced to the recipient quarterly, consistent with the planned expenses for that quarter, up to the total value of the GASC share of the total project cost. Allowable expenses may include direct labor, subcontractors, consultants, equipment purchases directly tied to project goals, consumable materials and supplies, project-related travel, and indirect costs associated with these categories if not being proposed as part of the company's cost share contribution to the project. No pre-award cost recovery will be permitted.

Recipients of GASC 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 South Carolina.

Project Duration: not to exceed 24 months from the date of award

Maximum award from GASC: not to exceed \$500,000 over the project duration

Minimum award from GASC: not less than \$125,000 over the project duration

Cost share: the South Carolina 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 GASC. 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 criteria.

Number of Awards Anticipated

IIA and GASC 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. IIA and GASC 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.

Request for Proposals – Process

The submission and approval process will be executed in two phases, as follows:

a. Phase 1: Joint Submission of a “Bilateral Cooperation Form”

Companies desiring to receive funding through this RFP are required to submit a “Bilateral Cooperation Form” specific to the project being proposed. Appendix A contains a copy of this form. This form will include a brief description of the proposed cooperative project, the expected outcomes from the project, and the respective roles of each party in executing the project. The form must be signed by an individual from each company authorized to bind that company legally.

Note: 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.

Note: prior consultation with the respective funding authorities (IIA in Israel and GASC in South Carolina) is strongly advised.

IIA and GASC will screen the Bilateral Cooperation Forms and decide whether applicants will be invited to submit a full proposal under the Phase 2 process.

Note: an invitation to submit a full proposal in Phase 2 does not imply approval of the full proposal.

Summary of Phase 1 Requirements

Israeli Company	South Carolina Company
Bilateral Cooperation Form (Appendix A)	Bilateral Cooperation Form (Appendix A)

b. 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 GASC). 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 B.

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

Summary of Phase 2 Requirements

Israeli Company	South Carolina Company
OCS National Funding Application (to be provided with the invitation to propose)	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 South Carolina 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 and Review

The timeline and associated deadlines for this RFP are:

- 1. RFP Launch and first date for submitting Phase 1 applications: 16 October 2017**
- 2. Phase 1 application deadline: 22 January 2018**
[Allows 8 weeks for the parties to identify one another, and develop and submit the joint application]
- 3. Invitation to submit Phase 2 proposal issued: 29 January 2018**
[Allows 2 weeks for the sponsors to review the applications and issue a formal invitation to propose]
- 4. Phase 2 proposal submission deadline: 26 March 2018**
[Allows 10 weeks for applicants to develop, coordinate and submit their proposals]
- 5. Proposal evaluation complete: 7 May 2018**
[Allows 8 weeks for IIA and SCEIDO evaluators to complete their reviews and to make final award decisions]
- 6. Notification of award: 14 May 2018**
- 7. Fully executed company-to-company cooperative agreement due: 28 May 2018**
[Pre-requisite for award; target 2 weeks after notification of selection for award]
- 8. Fully executed ATI/OCS funding award agreements in place: 11 June 2018**
[2 weeks after receipt of fully executed cooperative agreements]

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Appendices and Attachments:

- Appendix A: Bilateral Cooperation Form
- Appendix B: Partnership Agreement Skeleton

APPENDIX A: BILATERAL COOPERATION FORM

Instructions: Both partners applying for the program should fill this form in together and submit it to the two counterpart agencies.

Note: This form also may be used for partner search / matchmaking requests.

1. General Information

1.1 Project Title

(Do not exceed 120 characters)

1.2 Technology Sector

Select from one of the following:

- Biomedical / Life Sciences
- Advanced Materials
- Sustainable Energy / Water / Agriculture Systems
- Transportation (Aerospace / Automotive)
- Defense / Homeland Security
- Insurance / Health Information Technology
- Other (please specify the technology sector)

1.3 Submission Date

1.4 Summary

(Do not exceed 240 characters)

1.5 Project Start Date:

1.6 Project Stop Date:

1.7 Participants' Contributions

Company Name	Country	Role of Participant	Contribution (%)	Budget (\$US)	Duration (Months)
Total:					

2. Project Outline

2.1 Project Description including Level of Innovation

2.2 Market Potential and Commercialization Plan

2.3 Cooperation between Participants (IP, synergies, advantages, complementarities, etc.)

2.4 Expected Outcome of Project

2.5 Short profile of the key staff who will be undertaking the work

3. Project Participants – Partner 1

3.1. Participant Profile

3.1.1 General Profile

Full Name of Company Registration #
Prior name of Company Year Established

Type of Company HT R&D Research Institute University Other

Stage Seed R&D Initial Revenues Revenue Growth

Ownership Public Private Governmental Other

No. Employees No. R&D Personnel

3.1.2 Company Contact Info

Address
Country Zip Code
Telephone Fax
Website E-mail

3.1.3 Contact Person

First Name Last Name
Title Function
Phone Mobile Phone
Email

3.1.4 Organization Background

General Business Description & Area of Expertise

Technology Description (Main Products/Services) and IP

Targeted Customers

Sales (for last 3 years)

Current year (i) i-1 i-2

4. Project Participants – Partner 2

4.1. Participant Profile

4.1.1 General Profile

Full Name of Company Registration #
Prior name of Company Year Established

Type of Company HT R&D Research Institute University Other

Stage Seed R&D Initial Revenues Revenue Growth

Ownership Public Private Governmental Other

No. Employees No. R&D Personnel

4.1.2 Company Contact Info

Address
Country Zip Code
Telephone Fax
Website E-mail

4.1.3 Contact Person

First Name Last Name
Title Function
Phone Mobile Phone
Email

4.1.4 Organization Background

General Business Description & Area of Expertise

Technology Description (Main Products/Services) and IP

Targeted Customers

Sales (for last 3 years)

Current year (i) i-1 i-2

5. Statement of Cooperation

The participants signing this form intend to cooperate within the project as described in this form, with the aim of realizing the technical developments as set forth under paragraph 2. In addition, the participants have or intend to put in place, a formal cooperation agreement(s) for IP sharing and terms of commercialization. The participants hereby acknowledge that should their 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.

Signature of Partner 1

Company Name			
First Name		Last Name	
Title			
Signature			

Signature of Partner 2

Company Name			
First Name		Last Name	
Title			
Signature			

APPENDIX B: 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 dismissal 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.