

The Advantage Accelerator Innovation Development Fund (AID) Program Request for Proposals

Summary

The State of Oregon, through legislation encouraging philanthropic donations targeted to support the commercialization of research at Oregon's Universities, enabled OSU to create the OSU Venture Development Fund (UVDF). An overview of the OSU Venture Development Fund and its purpose can be found here: <http://advantage.oregonstate.edu/funding-opportunities>

As part of its UVDF program, the OSU Advantage Accelerator is seeking proposals to facilitate the further development and commercialization of OSU applied innovations (called AID). Proposals can be submitted for OSU-owned innovations developed by OSU faculty, staff, and/or graduate students in any discipline that require a modest input of funding (**from \$5,000 to \$25,000**).

This AID fund addresses two key shortcomings for researchers entering the commercialization pathway:

- a lack of commercialization acumen and
- a deficiency in early stage funding to pursue commercialization opportunities.

By tying a micro-grant award to the existing Accelerate program, OSU intends to maximize the impact of funds during the successful development of OSU generated intellectual property. The AID fund is designed to serve as a funding bridge between a larger UVDF award (\$60,000) and/or a federal Small Business Innovative Research (SBIR) or a Small Business Technology Transfer (STTR) awards, which range from \$50,000 to more than \$1 million. See www.sbir.gov for more information.

This RFP presents proposal requirements and evaluation criteria for those seeking AID support for early stage efforts to translate and commercialize research outcomes into new products and services.

The program is significantly focused on University spinouts but will consider others that are willing to increase the impact of their research innovations on a case by case basis (i.e. licensing).

Applicants are highly encouraged to contact the OSU Advantage Accelerator office prior to submitting a proposal. Accelerator staff are available to provide early project concept feedback. If interested in applying, contact Katie Pettinger, Commercialization Catalyst, at kathryn.pettinger@oregonstate.edu.

Summary Table	
Purpose	The AID fund provides funding for projects that enhance the value and commercial potential of OSU-affiliated applied innovations.
Eligibility	<ol style="list-style-type: none"> 1. OSU-affiliated research faculty and OSU students are eligible to apply. There is a strong preference for those teams with OSU-derived intellectual property. 2. Companies with OSU-licensed intellectual property and who are working closely with an OSU faculty researcher may apply. Note that project funds will go directly to the OSU faculty member through an index fund. 3. Each proposer MUST apply to either the OSU Accelerator Iterate program or the Accelerate program. 4. Each proposer must have a demonstrated interest in establishing a startup and formation of a new company. Companies must be either a C corporation or a manager-managed LLC. Company formation prior to submitting a proposal is not a requirement.
Performance Period	Up to 6 months. Extensions are not allowed.
Award Amounts	Up to \$25,000. Matching fund contributions from departments, schools, colleges and industry are highly encouraged.
Award Type	Funds are provided as a future investment into a newly created company.
Submission Deadlines	Proposals must be emailed to Katie Pettinger (kathryn.pettinger@oregonstate.edu) by March 1, 2019 at 5:00 PM PST. Applicants are also highly encouraged to submit an application for either the Iterate program or Accelerate program on or before March 1.
Award Notification Date	Applicants will be informed of their award decisions no later than March 22, 2019. Award decisions are contingent upon acceptance into the Accelerator program.
Informational Contact	Contact Katie Pettinger at the OSU Advantage Accelerator with any questions: kathryn.pettinger@oregonstate.edu .

Proposal Requirements Overview

Eligibility: This funding is open to OSU faculty eligible for principal investigator (PI) status, OSU students, and other client companies that have been or will be accepted into the OSU Advantage Accelerator. Eligible OSU projects are those for which OSU intellectual property rights (IPR) have been, can be, or are in the process of being secured by Advantage Impact/ the OSU Office of Commercialization and Corporate Development (OCCD). Companies or non-OSU individuals who have been accepted into the OSU Advantage Accelerator may submit as explained below. However, companies must be working with an OSU faculty researcher as the funds will be awarded via an index fund only available to OSU faculty.

Award Type: Awards to a company are regarded as *investments* by OSU in a company to be formed at a future date. They are conditional upon the execution of an agreement providing for appropriate future remuneration to OSU. Equity ranges from 1-4% depending on the award amount. Any matching funds provided by other OSU or non-OSU sources are not subject to this specific future investment requirement. This agreement is independent of any IPR license that

may need to be executed with OSU and it is independent of the OSU Accelerator Accelerate program client agreement.

Program Aims: The purpose of AID funding is to facilitate the commercialization of research inventions, tools, prototypes, software, digital content or other intellectual property (IP) created by OSU faculty and students that could benefit the people of Oregon while repaying the tax credits supporting the program¹. Each proposal to the best of the proposers' ability should address:

1. Technology and initial product and the OSU IP described in layman terminology;
2. A defined beachhead market and total potential market size;
3. The team's ability to execute on the invention to bring the product to market with Accelerator assistance;
4. Existing and potential competition; and
5. Why the value of this invention creates the best solution for potential customers.

Funding Levels: Anticipated funding levels from the AID fund are up to \$25,000 per proposal. Departments, schools, and/or colleges are highly encouraged to match funding either by providing graduate student tuition support for their participating students or via a direct cash match. Companies are encouraged to match via cash match or strategic investors.

Use of Funds: Funds may be used for customer discovery (e.g. interviewing potential customers and stakeholders), attending trade shows, customer validation, commercial feasibility studies, minimal prototype development costs, market research, commercialization plan development, and to perform additional testing and/or research that could help the awardee secure SBIR funding. Funds may be used to pay for a student performing any of the above activities. Applicants are encouraged to ask Accelerator staff about their proposed project scope before applying.

AID award funds may NOT be used to:

- support any OSU faculty or staff salary (graduate research assistants may be excluded);
- pay for publication costs; or to
- purchase lab equipment not directly related to prototyping and additional approved testing/research.
- fund basic research

AID award funds may not be used to pay any costs incurred before the later of the start date of the proposed work or the date of award notification and account setup.

Performance Period: The period of performance for a proposed project is to be six months or less. Projects are expected to start at the same time as entrance into an Accelerator program (offered each term except the summer) although some exceptions may be permitted on a case-by-

¹ In 2005 the Oregon State Legislature passed an innovative bill that provides an unprecedented tax incentive for donors who choose to support commercialization of promising university discoveries and campus-based entrepreneurial education by contributing to university venture development funds to ...incubate startup companies. The UVDF provides that 20 percent of the licensing revenue received by the universities from firms that received UVDF funding will be returned to Oregon's Treasury

case basis. No-cost extensions are not allowed except in extraordinary circumstances, and then only with the approval of the Accelerator Directors.

Each awardee will be monitored through the Advantage Accelerator program. Non-performance or non-participation in the Accelerator program by awardee or their mutually accepted designee may result in termination of the award and the return of unspent funds.

At the end of the performance period, unspent grant funds revert to the AID program. As with other awards and contracts, the awardees are responsible for staying within their funded budgets.

Proposal Format, Content and Details: All proposals must follow the format and content requirements of this RFP. The proposal must include a detailed budget of proposed costs as set forth below.

Due Date and Where to Submit:

Proposals should be emailed to Katie Pettinger (kathryn.pettinger@oregonstate.edu) and may be submitted any time after the RFP release date but are **due no later than 5:00 PM PST, March 1, 2019.** Proposals should be submitted electronically as a MS Word file; the budget should be in Excel format. Late proposals will not be considered for funding. The email title of the submitted proposal should read: "AID Application, [Submitter Name], [Project Name]."

Proposal Review Process:

The reviewers rate proposals using the criteria provided below in this RFP. Proposal decisions will be made no later than **March 22, 2019**. Independent information and assessment on elements of the proposal such as IP protection and market applicability will be made by both internal and external sources. Should there be any questions to be answered by the applicant or if reviewers request clarifications prior to further consideration, the Accelerator will contact the applicant directly by email or phone.

Proposal Requirements

Proposal Areas and Scope:

The Accelerator is searching for innovations in any discipline that require a modest input of funding (**up to \$25,000 from AID**) for projects that will establish start-ups while significantly demonstrating the successful application of the innovation and add impact and commercial value to the University.

The ideal project is one for which there is a significant opportunity to create and grow a startup as a traded sector company with intellectual property rights (IPR) that have been, may be, or are in the process of being secured by OCCD, follow-on or joint applied funding, funding connected to other sources (SBIR, STTR), and/or a commercial partner or where the next round of funding has been identified. AID awards are specifically for commercialization activities. The AID Fund is not for funding basic research.

Proposal Evaluation Criteria

Priority will be given to proposals that:

- a) Clearly demonstrate that development of each technology will result in an invention with high commercial potential;
- b) Include a realistic plan for advancing the commercialization within the proposed funding period and funding levels.
- c) Position inventions for additional (concurrent or follow-on) commercially-focused funding or other forms of leverage that will assist in advancing the commercial application and in reducing the uncertainty for commercialization of the innovation;
- d) One or more of the following will significantly help the application:
 - Matching funds;
 - OSU-owned IPR managed by OCCD supporting commercialization;
 - Are accepted concepts by the OSU Advantage Accelerator
 - Are beyond just an idea (mental construct), and closer to the concept stage (been pruned, fine-tuned, reduced to practice, product prototyped, etc.);
 - Can be classified at a Technology Readiness Level (TRL) above 2. A level 1 TRL might be accepted in the Iterate program and for possible funding at the lower end of the spectrum.

Proposal Rating Schema: Proposals will be scored using the following point distributions

Topic	Points Possible	Notes
Maximum Points Possible:	1,000	
Technology and Product Description:	100	Describe in plain language the technical problem solved by this project and how the solution to that technical problem leads to the creation of products or services that address the above market. The feasibility of the approach and how technical and product adoption risks can be mitigated should be made clear.
Market, Need, Size and Proposed Solution:	200	Describe the market need and how the technology/product being advanced under this project addresses that need. The narrative should include what target customers or market are being addressed. It should also describe a primary market plus next potential market, what problems the end product will solve and what solutions it will provide, and what alternative solutions exist and who provides them.

Team and Ability to Execute:	200	Include names and bios for the team, how much time will be devoted to the project and any identified missing skills. Summarize the team's ability to complete the project. Describe which persons, entities or types of entities will participate in commercialization activities and where applicable, indicate the previous experience and training project participants have received relating to technology commercialization, if any. Specifically name who is the Entrepreneurial Lead, the Technical Lead, and the Industry Lead (or Mentor), if one exists.
Have an Accepted Disclosure or Patent:	100	Include the OCCD invention disclosure reference number and the status of the invention as it relates to the intellectual property.
Competitive Situation, Barriers to Entry	100	The narrative should address competing approaches and why your proposed approach is better or more compelling in solving the market need. Describe the barriers the product creates to prevent competition from surpassing your invention in the marketplace.
Use of Proceeds and Satisfactory Budget to Complete the Award and Project Plan	100	Provide your vision or plan for how the project will be advanced further towards market availability after successful completion of the AID funding and Accelerator program including what further developments will be required in terms of R&D, product/service design, and business development. If additional R&D will be needed, how will those developments will be financed. The narrative should make clear why the envisioned commercialization pathway creation of a new startup company is the best choice for the team members. It is strongly recommended to include a summary project plan with clear milestones covering both technical and key business-related issues. Both should clearly map to the uses of funds provided in the Project Budget
A demonstrated interest in Establishing a Startup and Formation of a new Company	100	If formed, advise the name of the company, type of legal entity (should be either a C Corporation or manager-managed LLC), year formed, ownership, and whether in good standing. If not yet formed, state when you expect the company to be formed (e.g., following a SBIR award, when a certain technical or commercialization milestone is hit).
A Demonstrated Interest in Graduating from the Accelerator Program	100	State who will be leading the effort through the Accelerator program. The program requires an estimated 10-15 hours per week per team. Briefly explain how the team member who will be the lead person for the Accelerate program will be able to satisfy this time commitment.

Proposal Format Outline and Required Content

The body of the proposal is limited to no more than 4 pages, using Times New Roman font size 11 or greater, double-spaced, and one-inch margins on all sides of the page. This page limitation does not include information relating to the section titled “Cover Page” and “Other Pages” including any Assignments required. The proposal must be organized as follows:

SBIR/STTR and NSF I-corps are examples of programs with available commercialization funding.

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