

Proof-of-Concept Center Initiative
Program Opportunity Notice (PON) 2537
\$15,000,000 Available

Informational Webinar: 2:00 pm; May 23, 2012
Mandatory Letter of Intent to Propose Due: June 6, 2012 by 5:00 PM Eastern Time*
Complete Proposals Due: July 18, 2012 by 5:00 PM Eastern Time*

Program Summary: The New York State Energy Research & Development Authority (NYSERDA) is interested in establishing one or more Proof-of-Concept Centers (POCC) in New York State. The POCC Initiative is built on the understanding that scalable startup companies are engines of both technology commercialization and economic growth; universities in New York are conducting a significant amount of energy-related R&D; the transition of the R&D to scalable business startups happens infrequently; changes in university-ecosystem engagement can increase the rate of startup formation and the likelihood of startup success; and, there is a key gap at the “Proof-of-Concept” stage of product development. The goal of the program is to provide early-stage investments and services to enable the development and validation of promising clean energy technologies that are, or will become, the platform for start-up companies located in New York State.

The objective of this solicitation is to select one or more teams that will design and implement sustainable programs that: (1) Accelerate the commercialization of innovations out of research institutions and into the marketplace, particularly through startups; (2) Match emerging clean energy technologies that have scalable commercialization potential, based on real market need, with the investment community; and, (3) Establish sustainable regional innovation ecosystems of potential investors and entrepreneurs in clean energy technologies and solidify the research institution linkages to them.

The maximum award is \$5 million with a contract period of five years. Cost sharing is required. The funding is viewed as an investment in the establishment of a long lasting POCC program. The demonstrated commitment of the POCC team to the long-term sustainability of the program is a very important component of proposal evaluation.

Letter of Intent: Proposing teams are **required** to submit a Letter of Intent (LOI) to the address below no later than June 6, 2012. Indicate your proposal Category (A or B). To the extent known, identify in the LOI the members of the proposing team. The LOI should be signed by an individual in the position to contractually commit the lead organization of the proposing team. Refer to Attachment C.

Proposal Submission: Proposers must submit ten (10) printed copies and one (1) electronic copy on Compact disc (CD) of the Complete Proposal, with a completed and signed Proposal Checklist attached to the front of each copy, one of which must contain an original signature. Proposals must be clearly labeled and submitted to:

Roseanne Viscusi, PON 2537
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399

If you have technical questions concerning this solicitation, contact Jeff Peterson at (518) 862-1090, ext. 3288 or jmp@nyszerda.org. Contractual questions should be directed to: Nancy Marucci at (518) 862-1090, ext. 3335, or

nsm@nyserda.org. No communication intended to influence this procurement is permitted except by contacting Jeff Peterson (Designated Contact) at (518) 862-1090, ext. 3288 or jmp@nyserda.org. Contacting anyone other than this Designated Contact (either directly by the proposer or indirectly through a lobbyist or other person acting on the proposer's behalf) in an attempt to influence the procurement: (1) may result in a proposer being deemed a non-responsible offerer, and (2) may result in the proposer not being awarded a contract.

*Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist may be returned. Faxed or e-mailed proposals will not be accepted. Proposals will not be accepted at any other NYSERDA location other than the address above. If changes are made to this solicitation, notification will be posted on NYSERDA's web site at www.nyserda.ny.gov.

I. Introduction

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation established by the New York State Legislature in 1975 with a mandate to use innovation and technology to solve some of New York's most difficult energy and environmental problems in ways that improve the State's economy.

A Proof-of-Concept Center (POCC) is an organization with a mission to accelerate technology commercialization, primarily by fostering successful startup companies. The focus of the NYSERDA POCC initiative is on clean energy-related technologies approaching the "proof-of-concept" stage and the development and implementation of a full spectrum, proactive programs to link researchers, investors, entrepreneurs, and industry.

Informational Webinar: NYSERDA will conduct an informational webinar to be held on May 23, 2012, at 2:00 pm. NYSERDA staff will describe the Proof-of-Concept Center Initiative and answer questions relating to possible projects, program applicability, selection criteria, and any other appropriate topics. Prior registration for the webinar conference is available, but not required. Participants can join up to 30 minutes beforehand. Instructions to participate are as follows:

Step 1 - JOIN THE WEBINAR TO VIEW PRESENTATION SLIDES AND SUBMIT QUESTIONS

From a web browser go to <https://nyserda.ilinc.com/join/thvctjr>.

Enter your name and email and click SUBMIT.

In the "Welcome to iLinc!" window, select the "Dial into the teleconference" radio button.

Dial-In number 1-888-394-8197 and Passcode 303066 are displayed.

Write down the "Unique Identifier" number preceded by *xx. (i.e. *xx xxx#).

Click OK.

Step 2 - JOIN TO THE AUDIO CONFERENCE

Dial 1-888-394-8197

Enter Passcode 303066

Once in the conference and it has begun, press *xx, then enter your "Unique Identifier" (see above) number followed by the # key (i.e. xxx#). This optional step will enable you to 'raise your hand' to ask questions during the webinar by linking your phone and internet presence.

II. Objectives & Expected Outcomes

NYSERDA views this program as an investment of public resources to catalyze the implementation of multiple long-lasting POCC programs. The goal of the program is to provide early-stage investments and services to enable the development and validation of promising clean energy technologies that are, or will become, the platform for start-up companies located in New York State. The objectives of the NYSERDA POCC initiative are to:

- Accelerate the commercialization of innovations out of research institutions and into the marketplace, particularly through startups.
- Match emerging clean energy technologies that have scalable commercialization potential, based on real market need, with the investment community.
- Establish sustainable regional innovation ecosystems of potential investors and entrepreneurs in clean energy technologies and solidify research institution linkages to them.

The POCC must develop and sustain relationships with regional entities that support technology-based startup companies (which may include incubators, angel and venture investors, service providers, venture development organizations, regional technology development organizations, and individual entrepreneurs and executives).

Additional relationships with the clean energy industry and investment community beyond the region could also be developed as part of the program. Some resources may be devoted to technical proof-of-concept projects, market research and opportunity assessments, business planning, and business development activities.

III. Program Requirements

Letter of Intent to Propose is a Mandatory Requirement

Proposing teams are **required** to submit a Letter of Intent (LOI) to the address below no later than June 6, 2012. Indicate your proposal Category (A or B). To the extent known, identify in the LOI the members of the proposing team. The LOI should be signed by an individual in the position to commit the lead organization of the proposing team. Refer to Attachment C.

Roseanne Viscusi, PON 2537 - LOI
New York State Energy Research and Development Authority
17 Columbia Circle
Albany, New York 12203-6399

Maximum Award and Cost Sharing

The maximum award is \$5 million with a contract period of five years. A minimum of 20% cost sharing over the life of the contract is required. NYSEDA funding is viewed as an investment in the establishment of a long lasting POCC program (beyond the five year contract period). The demonstrated commitment of the POCC team to the long-term sustainability of the program is a very important component of proposal evaluation.

Eligibility Requirements

The POCC must be located in New York State. POCC activities must be designed to promote the creation of new business enterprises in New York State that have a focus on the commercialization of clean energy technologies, processes, models, tools, etc. that will generate clean energy or assist the final consumer to reduce the use of electricity. Clean energy is defined here to include energy efficiency, renewable energy, and low-carbon technologies.

Regional or Category Focus

Following proposal review, evaluation and funding availability, NYSEDA intends to select the one or more proposals that are most likely to be successful over the long term without regard to Category selection. NYSEDA may, however, take the geographic distribution of POCC programs into account when making the final selection. NYSEDA may also elect to make no awards under this solicitation.

Category A and Category B

Two categories of POCC are listed below. Both types are eligible for funding. For either Category, the source of the clean energy technology innovations or intellectual property can come from any part of the state.

Category A: Proof of Concept Centers (Institution-POCC) at Research Institutions: The Institution-POCC is an organization within a New York-based university team or research institution that promotes the commercialization of clean energy-related research and intellectual property by fostering the creation and nurturing of new ventures in New York State. The Institution-POCC will leverage or incorporate existing campus and regional initiatives that align with its mission.

Category B: Clean Energy Venture Development Networks (VDN-POCC): A VDN-POCC is not university based. The VDN-POCC is a partnership that brings together industry and investor expertise to select promising New York-based pre-seed and seed stage companies commercializing clean energy technologies and provide a range of technical and business services aimed at making these companies viable and ready for investment. As a matter of course, the VDN-POCC must establish partnerships with technical and academic laboratories, incubators, angel and venture investors, service providers, venture development organizations, and so on.

IV. Proposal Requirements

Proposers must submit ten (10) printed copies and one (1) electronic copy on Compact disc (CD) of the Complete Proposal, with a completed and signed Proposal Checklist attached to the front of each copy, one of which must contain an original signature. Proposals must be clearly labeled and submitted to R. Viscusi at the address below:

Roseanne Viscusi, PON 2537
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399

A Complete Proposal consists of:

- Proposal Narrative covering Sections 1 – 9 discussed below.
- Attachment A: Proposal Checklist - clearly indicate Category A or Category B (one of which must contain an original signature)
- Attachment A-1: Acceptance of Standard Terms and Conditions
- Attachment B: Disclosure of Prior Findings of Non-responsibility Form
- Attachment C: Intent to Propose Form (The LOI is also required to be submitted no later than June 6, 2012)
- Attachment D: Sample Agreement

To be responsive to this solicitation, proposing teams must submit a Proposal Narrative that includes the following information. Follow the requirements for Category A or Category B as appropriate. While page limits have not been established for each section, to allow for a thorough review and evaluation it is important that the proposal provides information in a **clear** and **succinct** manner.

Category A Proposals: Proof of Concept Centers (Institution-POCC) at Research Institutions:

The Institution-POCC is an organization within a New York-based university or research institution that promotes the commercialization of clean energy-related research and intellectual property by fostering the creation and nurturing of new ventures in New York State. The Institution-POCC will leverage or incorporate existing campus initiatives that align with its mission. Proposals under this category may be from a single institution or a group of institutions. In the latter case, a lead institution that will administer the Institution-POCC and contract with NYSERDA must be designated.

Section 1: Executive Summary

The Executive Summary should succinctly summarize the unique capabilities the proposed Institution-POCC initiative offers.

Section 2: Gap and Market Analysis

The Gap and Market Analysis section should reflect the knowledge of the proposing Institution-POCC team in the clean energy technology market, and gaps in the commercialization of such technologies through startup

companies. Clean energy is defined here to include energy efficiency, renewable energy, and low-carbon technologies. The proposer may elect to focus on a subset of these technologies, if it believes that such subset encompasses sufficient activity to support an effective Institution-POCC, but this is not required. At a minimum, the section should contain a discussion of the following items:

- Distinguishing characteristics of the clean energy technology market the Institution-POCC team is targeting.
- Expected five-year growth of the market.
- Current intellectual property portfolio within the Institution-POCC team, including the lead institution and partner institutions, if any, that could serve the clean energy technology market.
- Active applied research activities of both Institution-POCC team members and others within the region that could access the Institution-POCC.
- Inventory and assessment of entrepreneurial and business startup support programs within the Institution-POCC team and within the region that are accessible to the Institution-POCC.
- Existing gaps or weaknesses in the support for entrepreneurs and business startups in the Institution-POCC and region.
- Regional assets and resources that will be formally or informally available to the program and a description of how they will be utilized by the Institution-POCC.

Section 3: Institutional Capabilities and Commitment

Provide the following information and discuss the relevance of the information to the Institution-POCC. If the proposal is from a team, the information should be provided separately for the lead institution and partner institutions.

- Describe the proposer's capability to produce intellectual property and perform research and development in the clean energy technologies that are the subject of the proposal. List members of faculty and their relevant research interests. Indicate their tenure status. List relevant research grants awarded within the past three years; note which have been sponsored by private industry.
- Describe the proposer's capability to commercialize technology and foster startup companies. Indicate which academic and administrative units within the institution have roles within technology commercialization and entrepreneurship, and which of these contribute to the proposed Statement of Work below (Section 5). Outline the existing budget and staff currently committed to technology commercialization and innovation activities.
- Describe the proposer's record in commercializing technology and fostering startup companies, outside its medical school, if any. For the past three years, indicate the annual research expenditures of the institution, excepting its medical school. Indicate the number of intellectual property licenses executed for the past three years, excepting those related to IP developed within the proposer's medical school. Indicate the number of options executed for the past three years, excepting those related to IP developed within the proposer's medical school. Indicate the number of startup companies that were dependent on licensing of the proposer's IP for the past three years, excepting those related to IP developed within the proposer's medical school.
- Outline existing and planned administrative and faculty policies, including tenure policies, that support new business development and technology commercialization. Indicate whether there are exceptions, or special procedures and practices that will be applied within the Institution-POCC.
- Outline existing and planned administrative policies to manage intellectual property for maximum impact on new business development. Indicate whether there are exceptions, or special procedures and practices that will be applied within the Institution-POCC to further new business development.

Section 4: Governance Structure, Management and Proposing Team Qualifications

Present in graphical form and describe in text the organization of the Institution-POCC, and roles and responsibilities of all individuals proposed to be involved with its design, implementation and operation.

- Identify the position and level of authority for the Director of the Institution-POCC. Be specific as to the Director's reporting relationships on campus and chain-of-authority to the President/Chancellor or Provost level, as appropriate. For each individual within the proposing POCC team, identify the position, level of authority and reporting relationship to the Director of the Institution-POCC. For individual team members in partner institutions, identify position and level of authority within those institutions.
- Outline relevant qualifications, abilities, and experience of all individuals named above. Describe the level of involvement of each team member in relevant past activities.
- Brief summary resumes of key individuals should be included in Section 9 (Additional Information).
- Describe agreements and understandings between the Institution-POCC and other programmatic or administrative units within the lead institution. Document these in the form of letters of commitment in Section 9 (Additional Information). Describe agreements and understandings between the lead institution and partner institutions. Discuss agreements relative to intellectual property (IP) ownership on any new IP that is developed under the POCC program. Document these in the form of letters of commitment in Section 9 (Additional Information).
- Identify gaps in the management team, if any, and the proposed strategy to fill the gaps. If the Director of the Institution-POCC is yet to be hired, provide a job description and list of qualifications.
- Identify the membership and authority of external advisory committees that will provide direction to the Institution-POCC. To the extent that individual members have been identified, please provide brief summary resumes and letters of commitment in Section 9 (Additional Information).

Section 5: Implementation Strategy and Plan

This section will serve as the basis for the Statement of Work for the POCC contract. The Statement of Work specifically delineates each step or procedure required to accomplish the project objectives. Therefore, each action shall be identified, indicating who will perform it, how it will be performed and its intended result. Be clear and specific: concentrate on how and not why. Deliverables should, at a minimum, include the items discussed in Section 6 (Measure of Success) and Section 8 (Performance Payment Plan).

A POCC program can be structured around the three integrated stages of activities listed below. Key outcomes for individuals participating in the POCC program include the ability to clearly articulate the innovation (technology, product or service) to a range of external parties; verification of technology performance; clear direction of an intellectual property protection strategy; and, appreciation of the market opportunity of a technology. It is expected that the POCC will design, implement and administer integrated programs in these three broad areas:

- Idea generation and evaluation – bringing entrepreneurial and market expertise to the invention stage.
- Proof-of-Concept evaluation – confirmation of market relevant technology performance.
- Early-stage venture creation – building a business model to bring the invention to market.

The Implementation Strategy and Plan should include specific details on the design, operation and expected outcomes of the POCC. A Proof-of-Concept Center is expected to provide services similar to those outlined below. Describe how the selected activities will be completed. Identify each task necessary to complete the activity. Include a schedule of when these tasks, deliverables and expected outcomes will occur.

- Encourage and facilitate the exchange of ideas between innovators and the entrepreneurship and investment community.
- Link the research community in the region of the POCC to existing programs that support innovation and early stage business development.

- Provide nominal funding to support the proof-of-concept testing/evaluation and commercialization of promising research.
- Support business development and commercialization activities that are necessary for the successful launch of a product or service business.
- Support educational programs and events to prepare students and researchers for entrepreneurial challenges and work environments and to promote collaboration.

Section 6: Measure of Success

An important objective of the program is to promote the establishment of a POCC that will be long-lasting. Identify the objective variables that will be used to measure the performance of the POCC and form the basis of a decision of the POCC team to fund the operation of the POCC at the conclusion of NYSERDA funding support. Explain the rationale for selecting these variables. Describe the methods to track the variables and desired outcomes. These measures should be integrated into the Preliminary Sustainability Plan and discussed in each Quarterly report.

Section 7: Financial Management Plan and Preliminary Sustainability Plan

Outline the financial management plan for the POCC for the five year contract period. Include a table with an annual cash flow projection for this period of time. Clearly identify the sources and uses of funds by task and by year. The cash flow projections should show non-NYSERDA funding of at least 20% of the total cost of the project. Cost sharing can be from the proposer, other team members, and other government or private sources. Contributions of direct labor (for which the laborer is paid as an employee) and purchased materials may be considered "cash" contributions. Unpaid labor, indirect labor, or other general overhead may be considered "in-kind" contributions.

Present a Preliminary Sustainability Plan based on the outcomes of the objective variables from Section 6 (Measure of Success) and the Implementation Plan. The Preliminary Sustainability Plan should outline the POCC strategy to continue operation beyond the 5-year NYSEDA funding period. Identify expected sources of funding and other resources necessary for long term POCC operation. Assess the risk that the funding and resources will not be available when required.

Section 8: Performance Payment Plan

Structure a performance-based payment plan such that 100% of requested NYSEDA funds are allocated to performance milestones. The Plan should show a distribution of NYSEDA funding that is essentially level across the 5-year program. Payments will be based on the performance of activities involving the clean energy technologies.

Funding will be provided according to a milestone payment plan. NYSEDA will pay the successful proposer a negotiated fixed amount upon accomplishment of the milestones and provision of the associated deliverables in a form satisfactory to the NYSEDA Project Manager. Milestones may be thought of in terms of three Payment Groups.

Payment Group A includes POCC management tasks and deliverables. These include items such as reporting, outreach, program development, development of administrative infrastructure, entrepreneurship programs, workshops and events, and strategic planning activities that generate deliverables of value that merit milestone payments. It is expected that no more than **one-fifth** of total NYSEDA funding under this PON will be paid out under Payment Group A milestones. Required elements for the Performance Payment Plan that fall under Payment Group A include:

- Documentation of the formal establishment and operation of the Implementation Plan and, as necessary contractual relationships with team members.

- Quarterly Reports and Performance Documentation: NYSERDA intends to communicate the results and performance of individual POCC programs to a broad audience.
- Annual metrics reports: On an annual basis submit an analysis of the change from the baseline of activity (pre-POCC) of POCC team members in the commercialization of clean energy technologies. In addition, provide a summary of metrics addressing the anticipated energy, environmental and economic benefits that could be realized by the POCC supported clean energy technologies. All estimates shall reference credible sources and estimating procedures, and all assumptions shall be documented. Reporting shall commence the first calendar year after the contract was executed. Reports shall be submitted by January 31st for the previous calendar years activities (i.e. reporting period). Reports shall continue to be submitted for five consecutive calendar years after the project is completed.
- Annual POCC Review Workshop: NYSERDA intends to hold an annual POCC workshop to bring POCC teams, stakeholders and a NYSERDA POCC review panel together to discuss POCC experiences. The goal of the workshop is for POCC teams to benefit from the experience of other teams and for NYSERDA to review performance in a structured format.
- Sustainability Plan: Concurrent with the 9th Quarterly Report, provide a Sustainability Plan for the POCC that is based on operating the program for 2 years. Recommend necessary project/program changes to increase the likelihood of the POCC operating beyond the completion of NYSERDA funding. Changes to the milestone payment plan may also be considered.
- Virtual Network and Collaboration: NYSERDA is building a series of online communities (social media programs) that will link together stakeholders in the clean energy technology business ecosystem. The POCC will be expected to develop and implement strategies to regularly and actively participate in the NYSERDA social media site.

Payment Group B includes tasks and deliverables related to specific technologies, projects, or startup companies. These include the accomplishment of scheduled project-specific tasks, such as selection of a proof-of-concept project, completion of an opportunity assessment, production of a business plan, completion of an intellectual property review, or other milestones as determined by the POCC program and as appropriate for the technology/project/startup. These project-specific tasks are expected to generate deliverables of value that merit milestone payments. It is expected that approximately **one-half** of total NYSERDA funding under this PON will be paid out under Payment Group B milestones.

Payment Group C includes outcome milestones related to new startup companies emerging from the POCC's work. These may include the establishment of a new company to commercialize POCC clean energy technology, the completed licensing of intellectual property to a new startup for commercialization, the introduction of a first commercial product incorporating the technology, the successful raising of early stage capital, or other outcomes that support the objectives of the program. A minimum of **one-fourth** of the NYSERDA funding under this PON will be reserved for such outcome milestones. POCC startups are by definition at an early stage, and therefore a certain amount of uncertainty surrounds the attainment of such outcomes by any given technology or project. Nevertheless, it is anticipated that some subset of projects will result in such outcomes.

Section 9: Additional Information

Include any resumes, company qualifications, financial statements, or ancillary information which is deemed necessary to support your proposal.

- **Brief Summary Resumes** of key individuals to support the material provided in Section 4 (Governance Structure, Management and Proposing Team Qualifications).
- **Letters of Interest or Commitment** from team members, advisory committee members and any other organization expected to do some of the work, provide services or equipment, or share in the non-NYSERDA cost. The letter should include a description of the organization and their planned participation and signed by a person authorized to contractually obligate the organization. Absence of letters of interest or commitment will be interpreted as the proposer not having support from the identified parties.

If appropriate, also include:

- The Proposal Evaluation section includes the items that will be used to evaluate each proposal. Carefully review the Evaluation Criteria and place in this section any material that is not provided in other parts of the proposal.
- Potential Conflicts of Interest. Identify the nature of any potential conflicts of interest among team members in providing services to NYSERDA under this PON. Fully discuss possible conflicts of interest, actual and perceived, that could arise in connection with performance by team members of the proposed contract. Describe how your firm would resolve conflicts of interest. In the event that NYSERDA determines that a team member may have a conflict of interest or the appearance of such, NYSERDA may: (1) take this into consideration in evaluating the proposal; (2) exclude the proposer from consideration for an award; (3) adjust the scope of work to avoid the conflict or appearance of conflict; or (4) negotiate other appropriate actions with the team member to avoid the conflict or appearance of conflict.

Category B Proposals: Clean Energy Venture Development Networks (VDN-POCC):

A VDN-POCC is not based within a university. The VDN-POCC is a partnership that brings together industry and investor expertise to select promising New York-based pre-seed projects and seed stage companies commercializing clean energy technologies and provide a range of technical and business services aimed at making these companies viable and ready for investment. As a matter of course, the VDN-POCC must establish partnerships with technical and academic laboratories, incubators, angel and venture investors, service providers, venture development organizations, and so on. Proposals in this category need not be led by a university or research institution, however, a lead proposer must be designated. A VDN-POCC may, but is not required to, address a geographic area that is broader than the region surrounding an Institution-POCC, if only because of the scope of its network of partnerships.

Section 1: Executive Summary

The Executive Summary should succinctly summarize the unique capabilities the proposed VDN-POCC initiative offers.

Section 2: Gap and Market Analysis

The Gap and Market Analysis section should reflect the knowledge of the proposing VDN-POCC team in the clean energy technology market, and gaps in the commercialization of such technologies through startup companies. Clean energy is defined here to include energy efficiency, renewable energy, and low-carbon technologies. The proposer may elect to focus on a subset of these technologies, if it believes that such subset encompasses sufficient activity to support an effective VDN-POCC, but is not required to. At a minimum, the section should contain a discussion of the following items:

- Distinguishing characteristics of the clean energy technology market the VDN-POCC team is targeting.
- Expected five year growth of the market.
- Current intellectual property portfolio accessible within the VDN-POCC team that could serve the clean energy technology market.
- Active applied research activities of VDN-POCC team members and other parties that could access the services and programs of the VDN-POCC.
- Inventory and assessment of entrepreneurial and business startup support programs within the VDN-POCC team.
- Existing gaps or weaknesses in the support for entrepreneurs and business startups within the VDN-POCC team and the geographic area within which the VDN-POCC operates.

- Local assets and resources that will be formally or informally available to the program and a description of how they will be utilized by the VDN-POCC.

Section 3: VDN Capabilities and Commitment

Provide the following information and discuss the relevance of the information to the VDN-POCC.

- Describe the proposer's capability to gain access to intellectual property and research and development resources in the clean energy technologies that are the subject of the proposal. List institutional partners to the department or laboratory level. Document these relationships in the form of letters of commitment in Section 9 (Additional Information).
- Describe the proposer's capability to commercialize technology and foster startup companies. Outline the existing budget and staff currently committed to technology commercialization and innovation activities within the lead proposer, and within partner organizations. Document the availability of these relationships and resources in the form of letters of commitment in Section 9 (Additional Information).
- Describe the proposer's record in commercializing technology and fostering startup companies.
- Outline policies, practices and programs that support new business development and technology commercialization. Indicate whether enhancements or special procedures and practices will be applied within the VDN-POCC.
- Outline existing and planned administrative policies to manage intellectual property for maximum impact on new business development. Indicate whether partner institutions have agreed to special procedures and practices that will be applied within the VDN-POCC to further new business development. Document these in the form of letters of commitment in Section 9 (Additional Information).

Section 4: Governance Structure, Management and Proposing Team Qualifications

Present in graphical form and describe in text the organization of the VDN-POCC, and roles and responsibilities of all individuals proposed to be involved with its design, implementation and operation.

- Identify the position and level of authority for the Director of the VDN-POCC. For each individual within the proposing POCC team, identify the position, level of authority and reporting relationship to the Director of the VDN-POCC. For individual team members in partner institutions and organizations, identify position and level of authority within those institutions and organizations.
- Outline relevant qualifications, abilities, and experience of all individuals named above. Describe the level of involvement of each team member in relevant past activities.
- Brief summary resumes of key individuals should be included in Section 9 (Additional Information).
- Describe agreements and understandings between the lead proposer for the VDN-POCC and other VDN-POCC partners. Discuss agreements relative to intellectual property (IP) ownership on any new IP that is developed under the POCC program. Document these in the form of letters of commitment in Section 9 (Additional Information).
- Identify gaps in the management team, if any, and the proposed strategy to fill the gaps. If the Director of the VDN-POCC is yet to be hired, provide a job description and list of qualifications.
- Identify the membership and authority of external advisory committees that will provide direction to the Institution-POCC. To the extent that individual members have been identified, please provide brief summary resumes and letters of commitment in Section 9 (Additional Information).

Section 5: Implementation Strategy and Plan

This section will serve as the basis for the Statement of Work for the POCC contract. The Statement of Work specifically delineates each step or procedure required to accomplish the project objectives. Therefore, each action shall be identified, indicating who will perform it, how it will be performed and its intended result. Be clear and

specific: concentrate on how and not why. Deliverables should, at a minimum, include the items discussed in Section 6 (Measure of Success) and Section 8 (Performance Payment Plan).

A POCC program can be structured around the three integrated stages of activities listed below. Key outcomes for individuals participating in the POCC program include the ability to clearly articulate the innovation (technology, product or service) to a range of external parties; verification of technology performance; clear direction of an intellectual property protection strategy; and, appreciation of the market opportunity of a technology. It is expected that the POCC will design, implement and administer integrated programs in these three broad areas:

- Idea generation and evaluation – bringing entrepreneurial and market expertise to the invention stage.
- Proof-of-Concept evaluation – confirmation of market relevant technology performance.
- Early-stage venture creation – building a business model to bring the invention to market.

The Implementation Strategy and Plan should include specific details on the design, operation and expected outcomes of the POCC. A Proof-of-Concept Center is expected to provide services similar to those outlined below. Describe how the selected activities will be completed. Identify each task necessary to complete the activity. Include a schedule of when these tasks, deliverables and expected outcomes will occur.

- Encourage and facilitate the exchange of ideas between innovators and the entrepreneurship and investment community.
- Link the research community in the region of the POCC to existing programs that support innovation and early stage business development.
- Provide nominal funding to support the proof-of-concept testing/evaluation and commercialization of promising research.
- Support business development and commercialization activities that are necessary for the successful launch of a product or service business.
- Support educational programs and events to prepare students and researchers for entrepreneurial challenges and work environments and to promote collaboration.

Section 6: Measure of Success

An important objective of the program is to promote the establishment of a POCC that will be long lasting. Identify the objective variables that will be used to measure the performance of the POCC and form the basis of a decision of the POCC team to fund the operation of the POCC at the conclusion of NYSERDA funding support. Explain the rationale for selecting these variables. Describe the methods to track the variables and desired outcomes. These measures should be integrated into the Preliminary Sustainability Plan and discussed in each Quarterly report.

Section 7: Financial Management Plan and Preliminary Sustainability Plan

Outline the financial management plan for the POCC for the five-year contract period. Include a table with an annual cash flow projection for this period of time. Clearly identify the sources and uses of funds by task and by year. The cash flow projections should show non-NYSERDA funding of at least 20% of the total cost of the project. Cost sharing can be from the proposer, other team members, and other government or private sources. Contributions of direct labor (for which the laborer is paid as an employee) and purchased materials may be considered "cash" contributions. Unpaid labor, indirect labor, or other general overhead may be considered "in-kind" contributions.

Present a Preliminary Sustainability Plan based on the outcomes of the objective variables from Section 5 (Measure of Success) and the Implementation Plan. The Preliminary Sustainability Plan should outline the POCC strategy to continue operation beyond the 5-year NYSEDA funding period. Identify expected sources of funding and other resources necessary for long term POCC operation. Assess the risk that the funding and resources will not be available when required.

Section 8: Performance Payment Plan

Structure a performance-based payment plan such that 100% of requested NYSERDA funds are allocated to performance milestones. The Plan should show a distribution of NYSERDA funding that is essentially level across the 5 year program. Payments will be based on the performance of activities involving the clean energy technologies.

Funding will be provided according to a milestone payment plan. NYSERDA will pay the successful proposer a negotiated fixed amount upon accomplishment of the milestones and provision of the associated deliverables in a form satisfactory to the NYSERDA Project Manager. Milestones may be thought of in terms of three categories.

Payment Group A includes POCC management tasks and deliverables. These include items such as reporting, outreach, program development, development of administrative infrastructure, entrepreneurship programs, workshops and events, and strategic planning activities that generate deliverables of value that merit milestone payments. It is expected that no more than **one-fifth** of total NYSERDA funding under this PON will be paid out under Payment Group A milestones. Required elements for the Performance Payment Plan that fall under Payment Group A include:

- Documentation of the formal establishment and operation of the Implementation Plan and, as necessary contractual relationships with team members.
- Quarterly Reports and Performance Documentation: NYSERDA intends to communicate the results and performance of individual POCC programs to a broad audience.
- Annual metrics reports: On an annual basis submit an analysis of the change from the baseline of activity (pre-POCC) of POCC team members in the commercialization of clean energy technologies. In addition, provide a summary of metrics addressing the anticipated energy, environmental and economic benefits that could be realized by the POCC supported clean energy technologies. All estimates shall reference credible sources and estimating procedures, and all assumptions shall be documented. Reporting shall commence the first calendar year after the contract was executed. Reports shall be submitted by January 31st for the previous calendar years activities (i.e. reporting period). Reports shall continue to be submitted for five consecutive calendar years after the project is completed.
- Annual POCC Review Workshop: NYSERDA intends to hold an annual POCC workshop to bring POCC teams, stakeholders and a NYSERDA POCC review panel together to discuss POCC experiences. The goal of the workshop is for POCC teams to benefit from the experience of other teams and for NYSERDA to review performance in a structured format.
- Sustainability Plan: Concurrent with the 9th Quarterly Report, provide a Sustainability Plan for the POCC that is based on operating the program for 2 years. Recommend necessary project/program changes to increase the likelihood of the POCC operating beyond the completion of NYSERDA funding. Changes to the milestone payment plan may also be considered.
- Virtual Network and Collaboration: NYSERDA is building a series of online communities (social media program) that will link together stakeholders in the clean energy technology business ecosystem. The POCC will be expected to develop and implement strategies to regularly and actively participate in the NYSERDA social media site.

Payment Group B includes tasks and deliverables related to specific technologies, projects, or startup companies. These include the accomplishment of scheduled project-specific tasks, such as selection of a proof-of-concept project, completion of an opportunity assessment, production of a business plan, completion of an intellectual property review, or other milestones as determined by the POCC program and as appropriate for the technology/project/startup. These project-specific tasks are expected to generate deliverables of value that merit milestone payments. It is expected that approximately **one-half** of total NYSERDA funding under this PON will be paid out under Payment Group B milestones.

Payment Group C includes outcome milestones related to new startup companies emerging from the POCC's work. These may include the establishment of a new company to commercialize POCC technology, the completed licensing of intellectual property to a new startup for commercialization, the introduction of a first commercial product incorporating the technology, the successful raising of early stage capital, or other outcomes that support the objectives of the program. A minimum of **one-fourth** of the NYSERDA funding under this PON will be reserved for such outcome milestones. POCC startups are by definition at an early stage, and therefore a certain amount of uncertainty surrounds the attainment of such outcomes by any given technology or project. Nevertheless, it is anticipated that some subset of projects will result in such outcomes.

Section 9: Additional Information

Include any resumes, company qualifications, financial statements, or ancillary information which is deemed necessary to support your proposal.

- **Brief Summary Resumes** of key individuals to support the material provided in Section 4 (Governance Structure, Management and Proposing Team Qualifications).
- **Letters of Interest or Commitment** from team members, advisory committee members and any other organization expected to do some of the work, provide services or equipment, or share in the non-NYSERDA cost. The letter should include a description of the organization and their planned participation and signed by a person authorized to contractually obligate the organization. Absence of letters of interest or commitment will be interpreted as the proposer not having support from the identified parties.

If appropriate, also include:

- The Proposal Evaluation section includes the items that will be used to evaluate each proposal. Carefully review the Evaluation Criteria and place in this section any material that is not provided in other parts of the proposal.
- Potential Conflicts of Interest. Identify the nature of any potential conflicts of interest among team members in providing services to NYSERDA under this PON. Fully discuss possible conflicts of interest, actual and perceived, which could arise in connection with performance by team members of the proposed contract. Describe how your firm would resolve conflicts of interest. In the event that NYSERDA determines that a team member may have a conflict of interest or the appearance of such, NYSERDA may: (1) take this into consideration in evaluating the proposal; (2) exclude the proposer from consideration for an award; (3) adjust the scope of work to avoid the conflict or appearance of conflict; or (4) negotiate other appropriate actions with the team member to avoid the conflict or appearance of conflict.

Proposers must submit ten (10) printed copies and one (1) electronic copy on compact disc (CD) of the proposal, with a completed and signed Proposal Checklist attached to the front of each copy, one of which must contain an original signature. to the attention of Roseanne Viscusi at the address on the front of this Program Opportunity Notice/Request for Proposal. A completed and signed Proposal Checklist must be attached as the front cover of your proposal, one of which must contain an original signature. **Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist may be returned.** Faxed or e-mailed copies will not be accepted.

Procurement Lobbying Requirements - State Finance Law sections 139-j and 139-k

Procurement lobbying requirements contained in State Finance Law sections 139-j and 139-k became effective on January 1, 2006. (The text of the laws are available at: <http://www.ogs.ny.gov/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html>). In compliance with §139-j and §139-k of the State Finance Law, for proposals submitted in response to this solicitation that could result in agreements with an annual estimated value in excess of \$15,000, additional forms must be completed and filed with proposals: (1) a signed copy of the Proposal Checklist including required certifications under the State Finance Law and (2) a completed Disclosure of Prior Findings of Non-Responsibility form. Failure to include a signed copy of the Proposal Checklist referenced in this solicitation will disqualify your proposal.

V. Proposal Evaluation

NYSERDA will use a Technical Evaluation Panel (TEP) to evaluate and score proposals submitted under this solicitation. The TEP will include NYSERDA staff plus external members with the appropriate level of expertise to provide insights to the evaluation. **The following items will serve as the primary criteria used to evaluate proposals.** It is important the proposals include information and material in sufficient detail to allow the TEP to adequately evaluate the proposal.

Market Analysis

- Does the POCC team demonstrate access to sufficient intellectual property and research that will result in a critical mass of intellectual property in clean energy technology for the POCC? How strong is the team's record of performing energy-related R&D that is of interest to industry?
- Does the proposal indicate awareness of entrepreneurial and business support resources both within the proposing POCC team and the region around the POCC? How deeply engaged with these resources has the POCC been?
- Does the proposal identify challenges and risks associated with POCC performance and propose mitigation strategies? How significant are these risks, and how effective are the mitigation strategies expected to be?

Institutional Commitment

- Does the proposal include sufficient information on the existing budget and staff currently committed to technology commercialization and innovation activities to evaluate the POCC team experience in these areas? How strong is this experience?
- How strong is the proposer's commitment to the rapid commercialization of new innovations, as indicated by its existing and planned administrative, faculty, and IP policies?

Governance Structure, Management and Proposing Team Qualifications

- How strong are the POCC team members' credentials in entrepreneurship and technology commercialization?
- Does the POCC Director have sufficient management authority to implement an effective POCC?

- Does the POCC team include individuals with the demonstrated ability to evaluate technology commercialization needs and identify resources to address them?
- Does the POCC team include individuals with experience to support entrepreneurs and innovators at appropriate phase(s) of the process, such as assessments of commercialization potential, patenting, licensing, business formation, financing, and marketing?
- How well are regional assets and resources for entrepreneurship and business support integrated into the POCC program?
- Does the external committee have strong representation from the private sector and venture investment communities, and does the committee have the authority to effectively govern the program? Do the commitment letters from POCC team members, advisory committee members and any other partners identified in the proposal demonstrate tangible commitment to the success and long term viability of the POCC?

Implementation Strategy and Plan

- Will implementation of the Plan result in the identification and evaluation of promising research that can serve as the platform for clean energy technology business formation, and accelerate progress to the viability of any resulting business?
- Would implementation of the Plan result in an ongoing exchange of ideas between innovators and the entrepreneurship and investment community?
- Will the POCC marshal existing programs in the region to support innovation and early stage business development?
- Does the POCC program support business development and commercialization activities that are necessary for the successful launch of a product or service business?
- Will the POCC support educational programs and events to prepare students and researchers for entrepreneurial challenges and work environments to promote collaboration?
- Is the POCC design a creative solution based on an understanding of the role, benefit, and best practices of a Proof of Concept Center?
- Does the Plan fill the gaps in the research-to-commercialization continuum and eliminate obstacles to commercialization?
- Does the Plan present a clear, specific, and realistic approach to accelerating the movement of clean energy technologies to the marketplace?
- Is there a demonstrated understanding and effective design of the process for establishing proof-of-concept and moving technologies toward commercialization?
- Is there a sound approach to identify promising early-stage clean energy technologies that could be the foundation for new ventures, including those within research laboratories or incubators?

Measure of Success

- Does the proposal include a sound rationale for selecting the objective variables to measure the success of the POCC?
- Is there an effective plan to measure progress towards the outcomes adequate?

Financial Management and Preliminary Sustainability Plan

- Is there a clear intent of the POCC team to sustaining the program beyond the five-year time horizon?
- Does the cash flow projection table present a cost sharing commitment greater than or equal to 20% of the total NYSERDA contribution (which must be less than or equal to \$5 million)?
- Does the Financial Plan present a rationale budget allocation necessary to achieve the goals and objectives of the POCC program?

Performance Payment Plan

- Does the proposed program targets and payment plan demonstrate an appropriate level of risk sharing regarding POCC operation? Are deliverables tangible? Do they represent progress towards program goals? Do they reward real outcomes?

New York State Benefits

- Likelihood that NYSERDA investment in the POCC will result in a sustainable model to identify marketable clean energy technology innovations and use the innovations as a platform for new business formation.
- Quantifiable benefits that go beyond the applicant and benefit the regional economy.

Other Considerations – Additionally, proposals will be reviewed to determine if they reflect NYSERDA's overall objectives, including: risk/reward relationships, similar ongoing or completed projects, and the general distribution of projects among categories, technologies, industries and other organizations. NYSERDA may take the geographic distribution of POCC programs into account when making the final selection.

VI. GENERAL CONDITIONS

Proprietary Information - Careful consideration should be given before confidential information is submitted to NYSERDA as part of your proposal. Review should include whether it is critical for evaluating a proposal, and whether general, non-confidential information, may be adequate for review purposes. The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. Public Officers Law, Section 87(2) (d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSERDA that the proposer wishes to have treated as proprietary and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to exempt it from disclosure, including a written statement of the reasons why the information should be exempted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 <http://nyserderda.ny.gov/~media/Files/About/Contact/NYSERDARegulations.ashx> However, NYSERDA cannot guarantee the confidentiality of any information submitted.

Omnibus Procurement Act of 1992 - It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development
Division for Small Business
30 South Pearl Street
Albany, NY 12245

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development
Minority and Women's Business Development Division
30 South Pearl Street
Albany, NY 12245

State Finance Law sections 139-j and 139-k - NYSERDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain procurement lobbying requirements which can be found at <http://www.ogs.ny.gov/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html> The attached Proposal Checklist calls for a signature certifying that the proposer will comply with State Finance Law sections 139-j and 139-k and the Disclosure of Prior Findings of Non-responsibility form includes a disclosure

statement regarding whether the proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years.

Tax Law Section 5-a - NYSEDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSEDA having a value in excess of \$100,000, to certify to the Department of Taxation and Finance (the "Department") whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. See, ST-220-TD (available at http://www.tax.ny.gov/pdf/current_forms/st/st220td_fill_in.pdf) Prior to contracting with NYSEDA, the prospective contractor must also certify to NYSEDA whether it has filed such certification with the Department. The Department has created a second form that must be completed by a prospective contractor prior to contacting and filed with NYSEDA. See, ST-220-CA (available at http://www.tax.ny.gov/pdf/2006/fillin/st/st220ca_606_fill_in.pdf). The Department has developed guidance for contractors which is available at <http://www.tax.ny.gov/pdf/publications/sales/pub223.pdf>

Contract Award - NYSEDA anticipates making multiple awards under this solicitation. It may award a contract based on initial proposals without discussion, or following limited discussion or negotiations pertaining to the Statement of Work. Each offer should be submitted using the most favorable cost and technical terms. NYSEDA may request additional data or material to support applications. NYSEDA will use the Sample Agreement to contract successful proposals. NYSEDA reserves the right to limit any negotiations to exceptions to standard terms and conditions in the Sample Agreement to those specifically identified in the submitted proposal. NYSEDA expects to notify proposers in approximately eight weeks from the proposal due date whether your proposal has been selected to receive an award.

Limitation - This solicitation does not commit NYSEDA to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. NYSEDA reserves the right to accept or reject any or all proposals received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in NYSEDA's best interest. NYSEDA reserves the right to reject proposals based on the nature and number of any exceptions taken to the standard terms and conditions of the Sample Agreement.

Disclosure Requirement - The proposer shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States, and shall describe circumstances for each. When a proposer is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of NYSEDA after the award of a contract, NYSEDA may exercise its stop-work right pending further investigation, or terminate the agreement; the contractor may be subject to penalties for violation of any law which may apply in the particular circumstances. Proposers must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

VII. Attachments

- Attachment A: Proposal Checklist - clearly indicate Category A or Category B (one of which must contain an original signature)
- Attachment A-1: Acceptance of Standard Terms and Conditions
- Attachment B: Disclosure of Prior Findings of Non-responsibility Form
- Attachment C: Intent to Propose Form
- Attachment D: Sample Agreement