

REQUEST FOR PROPOSALS Israel - Pennsylvania Collaborative Industry R&D Program

Deadline for Submission: May 1, 2018

Focus on: Life Sciences

INTRODUCTION

This Request for Proposals (RFP) is the first call for proposals initiated within the framework of the collaborative industry research and development program envisioned in the Agreement between the Israel Innovation Authority and the Pennsylvania Office of International Business Development on Bilateral Cooperation in Industrial Research and Development, which was signed on 6 November 2017. This RFP will be executed by the designated cooperating authorities (the Israel Innovation Authority (IIA) and the Pennsylvania Department of Community and Economic Development (DCED) respectively).

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

IIA and DCED 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. DCED has direct access to a state-wide database of established companies in the technology domains that are the focus of this RFP.

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 Life Sciences related projects.

MODE OF COLLABORATION

This RFP offers 2 main funding tracks for collaboration:

Option 1: Companies from Israel and Pennsylvania will be funded for their activities in the joint R&D project by IIA and by the relevant Pennsylvania agency, respectively.

Option 2: DCED offers several incentives and financial support frameworks to Israeli companies which choose to establish a presence in Pennsylvania and will enable tech based partnerships.

Option 1- Bilateral Projects Funding

Israeli for-profit based companies and for-profit Pennsylvania-based companies are encouraged to submit a joint R&D project. Following an evaluation process, the project with the highest score will receive funding directly from the agency in their home country according to its regulations and procedures: companies from Israel will be funded by the IIA and companies from Pennsylvania will be funded by the relevant Pennsylvania entity.

This RFP process will stimulate the generation and development of new or significantly improved products or processes for commercialization in global markets.

1. To be eligible to apply for a grant, applicants must demonstrate that their partnership consists of at least one for-profit Pennsylvania-based company and one for-profit Israeli company. Companies are required to comply with the application requirements set forth and program conditions respective to each funding jurisdiction.
2. Applicants, where one of the applying companies is a wholly-owned subsidiary or joint venture of the other company, will not be considered. Applicants where one of the applying companies has a nominal equity position in the other or a contractual business relationship (for example, in-country distributor of the other company's products) will be considered so long as the relationship is fully disclosed in the Joint Bilateral Cooperation Application Form.

Given the collaborative nature of the projects envisioned, funding from IIA is contingent on the Pennsylvania-based company receiving funding from the relevant Pennsylvania agency, or certifying that it will self-fund its participation.

Partner Matching

While companies are encouraged to identify their own partners, DCED and the Authority will help to match companies and to identify potential partners for this program. DCED has access to commercial databases that can assist in identifying potential PA partners. For additional information regarding assistance with identification of partnership opportunities, please send the [Partner Search Form](#) (attached hereto) to [Jonathan Cohen](#).

Participation of research institutions/universities is welcome as subcontractors in accordance with each jurisdiction's funding regulations.

Each jurisdiction will fund its eligible participants in accordance with its own guidelines and procedures.

FUNDING ELIGIBILITY

In Israel: R&D performing companies registered and operating in Israel. Universities and Research Centers can participate as sub-contractors, in line with the [applicable rules and procedures](#)

In Pennsylvania

DCED Pennsylvania and its strategic partners programs include the following:

1. Ben Franklin Technology Partners access to funding, business and technical expertise to early stage and established companies. For more information, please download <https://benfranklin.org/>
2. Pennsylvania Life Sciences Greenhouses initiative offers qualified Israeli companies the access to capital. For more information, please download <http://palifesciencesgreenhouseinitiative.com/>

APPLICATION REQUIREMENTS

In Israel: Applicants must complete and submit all of the following:

1. The Joint Bilateral Cooperative Application Form included at [Appendix A](#).
2. For Israeli companies only: in addition to Appendix A above, Israeli companies must submit the [IIA Funding Application](#)
3. The Cooperative Agreement which addresses the intellectual property rights and commercialization strategy between the partnership entities. The Cooperation Agreement must be finalized and signed by a legally authorized representative of the applicants before grant awards are issued. Note that the contents of the Cooperation Agreement will not be reviewed for legality by DCED or the Israel Innovation Authority/OCS, and by accepting funding the Applicants agree to indemnify, hold harmless, and release DCED and the Authority for any issues which may arise as a result of the Cooperation Agreement. Accordingly, the Applicants are encouraged to have the Cooperation Agreement reviewed by their legal counsel.
4. Additional Requirements regarding Application Submittal Requirements including submittal instruction are located on the respective Appendix documents identified below. All applicants are encouraged to review all materials included in this Call for Projects before submitting any application documents. Appendixes attached to this Call for Projects are as follows:
 1. [Appendix A- Joint Bilateral Cooperation Application Form](#)
 2. [IIA application guidelines](#)

SCHEDULE

Item	Time and Date Due (all time is EST)
Publication Date -- Call for Projects	February 1, 2018
Submittal of Required Application Documents	May 1, 2018
Evaluation Period	May 1, 2018- August 1, 2018
Awards	As Issued

COMMON PROJECT REQUIREMENTS AND EVALUATION CRITERIA

Proposals will be evaluated based on the following common project requirements and evaluation criteria and in accordance with each funding jurisdictions requirements.

Technical Merit

- Significance of problem/opportunity
- Degree of innovation (novelty) of technology
- Technical feasibility

Commercial Merit

- Size of potential market
- Extent to which the need for the product or process can be validated
- Potential disruptiveness of the technology to be developed

Ability to carry out proposed research successfully

- Soundness of approach and work plan
- Adequacy of management plan
- Qualifications of key members of research team
- Strength of the partnership and compatibility between the Israeli and Pennsylvania company

Ability of project participants to commercialize resulting technology successfully

- Current position in market
- Adequacy of commercialization plan
- Ability to secure needed financing

OPTION 2: INCENTIVES AND INVESTMENT OPPORTUNITIES TO ISRAELI TECH COMPANIES IN PENNSYLVANIA

DCED offers the following incentives and financial support to Israeli companies which choose to establish a physical presence in Pennsylvania (e.g. locate their US operations in PA). For information on these or any other Pennsylvania program, please contact [Mr. David Briel](#).

Job Creation Tax Credits (JCTC)

Under the Job Creation Tax Credit Program, Pennsylvania may provide a tax credit for each new family-sustaining job created in the Commonwealth. These credits can be applied to a business's state Corporate Net Income Tax.

Link: <https://dced.pa.gov/programs/job-creation-tax-credits-jctc/>

Pennsylvania First

This program is reserved for high priority economic development projects that will have a significant economic benefit to the Commonwealth. These cash grants may be used for any eligible cost associated with the project including job training, site development, infrastructure, and machinery and equipment acquisition.

Link: <https://dced.pa.gov/programs/pennsylvania-first-program-pa-first/>

Keystone Opportunity Zones

The tax burden in the KOZ may be reduced to zero through exemptions, deductions, abatements, and credits for the following taxes:

- State Taxes: Corporate Net Income Tax, Personal Income Tax, Sales and Use Tax, Bank Shares and Trust Company Shares Tax, Alternative Bank and Trust Company Shares Tax, Mutual Thrift Institutions Tax, Insurance Premiums Tax.
- Local Taxes: Earned Income/Net Profits Tax, Business Gross Receipts Tax, Business Occupancy Tax, Business Privilege and Mercantile Taxes, Local Real Property Tax, Sales and Use Tax

Link: <https://dced.pa.gov/business-assistance/keystone-opportunity-zones/#.WAUoNPkrKUK>

WedNet Job Training Grants

WEDnet training grants are available to new and expanding companies seeking assistance for employee training. To be eligible for training funds, trainees must be Pennsylvania residents and earn at least 150% of the federal minimum wage. WEDnet grants can reimburse a company for up to \$450 per employee receiving essential skills training and up to \$850 per employee receiving advanced technology training. Any training under this program must take place during the fiscal year in which the application is made. The company is required to apply for training funds within five (5) years from the date that the offer is accepted.

Link: <https://dced.pa.gov/programs/wednetpa/>

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PENNSYLVANIA OFFICE OF INTERNATIONAL BUSINESS DEVELOPMENT AND THE ISRAEL INNOVATION AUTHORITY HAVE FULL DISCRETION AND AUTHORITY TO DETERMINE (1) WHICH APPLICANTS, IF ANY, RECEIVE GRANTS UNDER THIS PROGRAM, (2) THE AMOUNTS OF SUCH GRANTS, AND (3) WHETHER MATERIAL CHANGES TO THE PROJECT AS DESCRIBED IN THE APPLICATION SUBMITTAL DOCUMENTS ARE CAUSE FOR RESCISSION OF A PORTION OR THE ENTIRE GRANT AWARD. SUBMISSION OF APPLICATION SUBMITTAL REQUIREMENTS DOES NOT GUARANTEE AN AWARD OR RECEIPT OF ANY GRANT UNDER THIS PROGRAM.