



## Department of Development

**Ted Strickland**, Governor

**Lee Fisher**, Lt. Governor

Director, Ohio Department of Development

To Prospective Bidders:

On behalf of the Ohio Department of Development and the Ohio Third Frontier Commission, I am pleased to provide you with the opportunity to submit proposals to assess the impacts resulting from investments made by the Ohio Department of Development (Development) in Ohio Third Frontier and other technology-based economic development (TBED) programs. The accompanying Request for Proposal describes the purpose and goals of the study, the content and structure requirements for your proposal, and a discussion of how the proposals will be evaluated through a competitive review process.

Investments in the Ohio Third Frontier and other technology-based economic development (TBED) programs, including the Thomas Edison Program, the Ohio Venture Capital Authority, and Ohio's Technology Investment Tax Credit, are made with the intent to stimulate economic prosperity in Ohio. Through these investments, Ohio:

- Increases the quantity of high quality research that has commercial relevance for Ohio;
- Expands the availability of investment capital needed to form and grow new companies;
- Grows and nurtures an increasingly experienced pool of entrepreneurial management talent supported by organized systems of services and networking;
- Expands the availability of capital and assistance to support product innovation in established companies; and
- Attracts new-to-Ohio company activity that grows and strengthens the function of specific clusters of excellence.

The intention of this study is to assess the impacts of Development's investments against the stated objectives of the TBED-programs, as well as the importance of these stated objectives to the State of Ohio's economy.

I encourage you to consider responding to this opportunity.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Lee Fisher".

Lee Fisher

Lt. Governor of Ohio

Director, Ohio Department of Development

Chair, Third Frontier Commission



**Ted Strickland**, Governor

**Lee Fisher**, Lt. Governor

Director, Ohio Department of Development

## Ohio Department of Development Contractor Services - Request for Proposals (RFP)

**Services Requested:** Assessment of the impacts resulting from investments made by the Ohio Department of Development (Development) in Ohio Third Frontier and other technology-based economic development (TBED) programs, including the Thomas Edison Program, the Ohio Venture Capital Authority, and Ohio's Technology Investment Tax Credit. The study should assess the impacts of Development's investments against the stated objectives of the TBED-programs, as well as the importance of these stated objectives to the State of Ohio's economy.

The Ohio Department of Development (Development) is requesting proposals from contractors to assess the impacts resulting from investments made by Development in Ohio Third Frontier and other technology-based economic development (TBED) programs, including the Thomas Edison Program, the Ohio Venture Capital Authority, and Ohio's Technology Investment Tax Credit. The study should assess the impacts of Development's investments against the stated objectives of the TBED-programs, as well as the importance of these stated objectives to the State of Ohio's economy. The contractor selected through this RFP is to provide the services described in Section 2 below in State fiscal year 2009.

All information submitted in response to this RFP is considered to be public information unless a statutory exception exists which would thereby determine that such information cannot be released to the public. Any information submitted with the proposal that the contractor believes is a trade secret must be designated as such and shall be treated accordingly if the information is determined to be a trade secret under the laws of the State of Ohio.

Development reserves the right to ask additional questions to assist in the review process, to require new proposals from interested parties, to reject any or all proposals responding to this RFP, or to re-issue the RFP if it is determined that doing so is in the best interests of the State of Ohio. Issuing this RFP does not bind the State to making an award.

All costs incurred in preparation of a proposal shall be borne by the applicant. Proposal preparation costs are not recoverable under a contract. Development shall not contribute in any way to recovering the cost of responding to this RFP.

The contractor selected will be required to affirm that it, and each of its principles or parties listed in this RFP, and their spouses are in compliance with Ohio Revised Code §3517.13 dealing with campaign contribution limits. (Award date is anticipated to be September 2008.)

A hard-copy of the proposal must be received by:

Ohio Department of Development - Technology & Innovation Division  
77 South High Street – 25th floor  
Columbus, Ohio 43215-6130  
Attn: Deborah Cummings ([Deborah.Cummings@development.ohio.gov](mailto:Deborah.Cummings@development.ohio.gov))

**Proposals are due to Development no later than 2:00 PM September 8, 2008. Proposals received after that time will not be considered.**

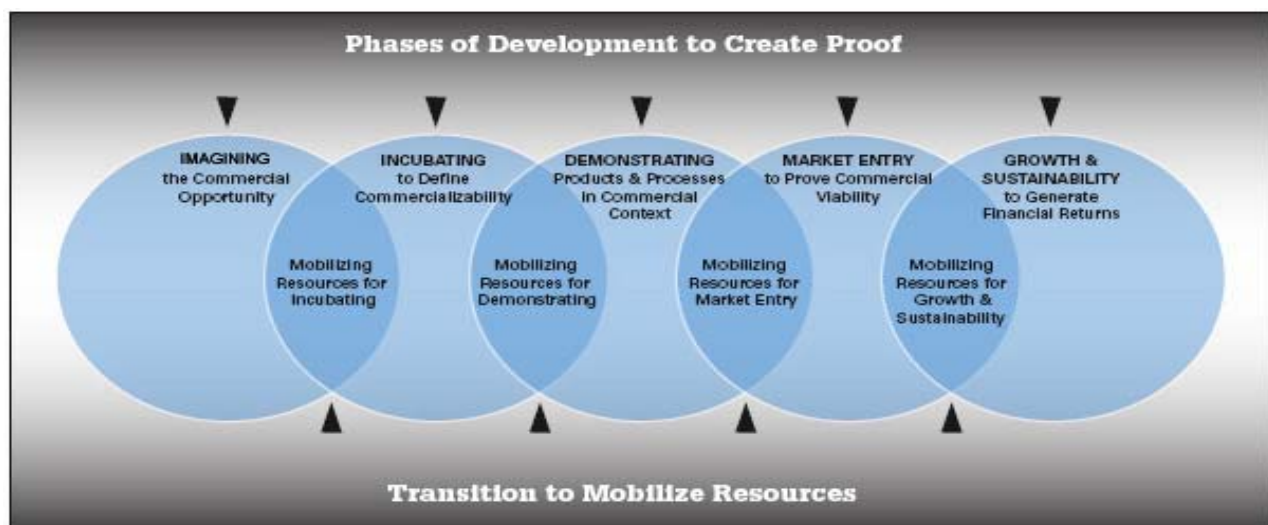
You may e-mail questions regarding this RFP to Deborah Cummings.

## 1. Background

The character of Ohio's economy is changing at a dramatic pace as technology continues to significantly impact the economic growth and wealth of the state. Knowledge, innovation, and intellectual capital are the key driving forces for our state and regional economies. Fifty years ago, traditional comparative advantage factors included natural resources, low-cost labor, and proximity to market. In the 21<sup>st</sup> century economy, comparative advantage will not be measured by tangible assets, but instead, in terms of ease of access and timely control of knowledge-intensive, value-added capabilities to produce leading-edge, next-generation products and processes.

After a quarter century of investing in Ohio's technology sector development and growth, the Ohio Department of Development's Technology and Innovation Division is preparing for the next level of strategic efforts with bolder initiatives and programs that reach comprehensively across the entire commercialization continuum (see Figure 1). To best prepare for that next phase of development, the Ohio Department of Development seeks to contract for a study describing the impact of the programmatic efforts and investments to date. While the Department constantly collects data to measure success and impact, it is looking for original research and new approaches to describe its impact on the State. This RFP seeks proposals for this significant analysis.

Figure 1. Commercialization Continuum



## Ohio's Technology-Based Economic Development Activities

Through the Ohio Department of Development's Technology and Innovation Division, the State of Ohio has been investing in technology-based economic development for more than 25 years. The following narrative provides an overview of our major initiatives:

The State's historic flagship program is **Ohio's Thomas Edison Program**, a network of non-profit industrial centers of excellence and technology incubators around the State that provide services to new and existing businesses with the intent to increase the percentage of product-based high technology businesses in the state, new and improved products brought to market by Ohio businesses, and improved and more efficient processes in existing Ohio businesses. The overall purpose of the \$18 to \$20 million annual program is the retention and expansion of high-wage jobs and high-growth companies, and the creation and growth of early-stage technology companies.

Created in 2002, the **Ohio Third Frontier** (OTF) represents the State of Ohio's largest-ever commitment to technology-based economic development. The ten-year, \$1.6 billion State of Ohio initiative seeks to expand Ohio's high-technology research capabilities, promote technology commercialization and innovation, create technology-based businesses, and create high-paying jobs for generations to come. To date, OTF has invested in numerous programs, including: Wright Centers of Innovation, Research and Commercialization Programs, Wright Projects, Ohio Research Scholars, Entrepreneurial Signature Programs, Pre-Seed Fund Initiatives, Advanced Energy Programs, and Fuel Cell Programs.

The **Ohio Venture Capital Authority** (OVCA), which oversees The Ohio Capital Fund, was created in 2003 to increase the amount of private investment capital available for Ohio-based business enterprises in the seed or early stages of business development. The underlying premise of the venture capital program is that access to early-stage investment capital improves the prospect for new businesses and new technologies to achieve commercial success in Ohio and, by doing so, supports job and wealth creation long-term and improves Ohio's economic strength going forward. Due to efforts of the Ohio Capital Fund, seven new venture capital funds have established an Ohio presence. It has secured \$150 million of funding from private sources due to Ohio's tax credit backing and has committed \$93.5 million.

**Ohio's Technology Investment Tax Credit** (TITC) Program is designed to encourage investment in early-stage technology businesses that might otherwise encounter difficulty obtaining external capital. Ohio companies interested in receiving investments that qualify for tax credits may apply for certification. Ohio investors may reduce their state taxes by 25 percent of the amount they invest in TITC-certified, technology-based Ohio companies.

## 2. Description of Services Requested

As we look back on the last twenty five years, it is critical that we assess the impact of our programmatic investments to date so that we may effectively plan for the future. The study should assess the impacts of Development's investments against the stated objectives of the TBED-programs, as well as the importance of these stated objectives to the State of Ohio's economy. Development's TBED objectives are to:

- Increase the quantity of high quality research that has commercial relevance for Ohio;
- Expand the availability of investment capital needed to form and grow new companies;
- Grow and nurture an increasingly experienced pool of entrepreneurial management talent supported by organized systems of services and networking;
- Expand the availability of capital and assistance to support product innovation in established companies; and
- Attract new-to-Ohio company activity that grows and strengthens the function of specific clusters of excellence.

The report should quantitatively and qualitatively measure the impact of the TBED programs on the state's economy, the formation of its technology industrial clusters, the creation of an entrepreneurial culture, the access to financial capital, and the further enhancement of its university research base.

The quantitative measures will include, but will not be limited to:

- Concentration of firms within focused technology clusters;
- Concentration of jobs within focused technology clusters;
- Level of funding for R&D;
- Financial risk capital invested in Ohio companies;
- Co-investment and leverage of state funds expended;
- Changes in revenue and/or productivity of companies;
- Number of jobs created and retained; and,
- Average salary of jobs created and retained.

Qualitative measures may include but are not limited to:

- Results of advancements in applied technology that have led to new products and or process innovations for Ohio companies;
- Outcomes that were caused from the additional financial risk capital dollars available for investment in early-stage technology companies;
- Effect of the TBED programs on regional and state policy and economic strategies;
- Ability of the TBED program investments to attract researchers and other intellectual capital talent to the State of Ohio; and,
- Reputation of the TBED programs both within the state and throughout the country.

Finally, it is Development's belief that the TBED programs impact the citizens of Ohio by:

- Developing new R&D initiatives that help to ensure Ohio's future innovation capacity;
- Creating an entrepreneurial culture by growing and nurturing an increasingly experienced pool of entrepreneurial management talent supported by organized systems of services and networking, and expanding the availability of investment capital needed to form and grow new companies;
- Growing Ohio's emerging industries, thereby fostering Ohio's future economic base;
- Sustaining Ohio's existing industrial drivers by fostering technology insertion and the creation of new products and processes, thereby helping to ensure comparative advantage in the global market context; and,
- Leveraging Ohio's regional strengths and comparative advantages to ensure that the entire State prospers economically.

The study should focus on these five themes and develop specific case studies that highlight examples of economic development outcomes.

### **Deliverables and Timeline Required**

The following deliverables and timeline are anticipated:

<b>October 1, 2008</b>	Award Date
<b>Mid-October, 2008</b>	Kick-Off Meeting with Department Staff to finalize Scope of Work (SOW)
<b>Dec. 16-18, 2008</b>	Presentation of preliminary quantitative data to the Ohio Third Frontier Commission (OTFC) and the Ohio Third Frontier Advisory Board (OTFAB)
<b>Feb. 24-26, 2009</b>	Facilitation of OTFC and OTFAB Retreat to solicit input, feedback, and buy-in regarding impact findings
<b>March 31, 2009</b>	Draft Impact Report due to Department Staff
<b>May 14-16, 2009</b>	Final Impact Report due to OTFC and OTFAB including final presentation
<b>June 2009</b>	Participate in up to 6 presentations throughout the State of Ohio unveiling the findings of the study

### 3. Proposal Requirements

Proposals are to include the following information:

#### Project Plan and Proposed Project Timeline

Please provide a project plan. The plan should include:

1. Overview of Scope of Work (SOW)
2. Methodology, model or approach to be used to assess the program's impact
3. Major task descriptions and approximate completion dates. It is anticipated that the following questions will be addressed by the proposed work plan:
  - a. What is the relative importance of the technology-based industrial cluster in the State of Ohio in comparison to other key clusters as measured by employment, value added, personal income, growth, and overall industrial concentration?
  - b. What is the economic impact of the TBED program's investments on the State of Ohio in terms of economic measures, such as, but not limited to, direct and indirect business volume, employment, and leverage impacts?
  - c. What has been the overall qualitative impact of the TBED program's diverse array of activities within the context of the themes described earlier?
  - d. What case studies best illustrate the various ways that the TBED programs bring benefits to the state and its communities?
4. Data sources to be used in the analysis

Please provide a project timeline including project milestones, time estimates for each segment of the work and staff level assigned. Provide information on your plans to meet the timeline and reporting deadline requirements of the engagement.

Development will provide data that has already been collected to provide a foundation for this work, as necessary. Development maintains a wide variety of metric data to assess the performance of the investments to date. While that data may be used in this report, we expect that the research reported will go far beyond that data.

#### Company Information

1. Provide a general description of the company's background, nature of business activities, and experience, identifying and substantiating that it is well-qualified to provide the requested services.
2. Brief description of the company's project development approach.
3. Identification of the individual who will be the Project Manager for this project and their contact information.
4. Relevant work experience for key staff members the company proposes to use on this project as well as the role they will serve on the project. Resumes may be attached as an Appendix.
5. If sub-contractors or outside consultants are expected to be employed in the fulfillment of this research project, provide:
  - a. Description of those persons and firms.
  - b. Description of the nature of work being undertaken by the sub-contractor or consultant.

### **Experience and Reference Information**

1. Provide recent (last five years) examples of relevant experience the company has in performing similar analyses.
2. Provide three (3) references of similar services performed. Provide a general description of services and include name and contact information.

### **Project Cost and Proposed Payment Schedule**

Please provide a cost breakdown for your proposal. Indicate total project cost and cost breakdown such as labor, services, consultants, materials, travel, et cetera. Please provide hours by staff for each task identified in the SOW.

### **4. Proposal Evaluation Criteria**

Development will use the following criteria in the selection of a contractor based on responses to this RFP.

1. Prior experience in conducting technology-based economic development impact assessments;
2. Demonstrated method for conducting the impact assessment;
3. Demonstrated knowledge of technology based economic development, Ohio's Third Frontier Project, Ohio's Thomas Edison Program, and other Ohio technology-based economic development investments;
4. Breadth and depth of knowledge regarding Ohio's key technology focus areas: biomedical, power and propulsion, advanced materials, advanced energy, and instruments - controls and electronics;
5. Experience and qualifications of proposed project manager and other key staff;
6. Amount of work to be conducted by project manager and key senior staff;
7. Capabilities in writing and document preparation appropriate for a wide array of key audiences/stakeholders;
8. Ability to meet timeline required;
9. Objectivity and freedom from real or perceived conflict of interest; and,
10. Firm fixed price.