



November 14, 2019

His Excellency, Governor Christopher T. Sununu  
 and the Honorable Council  
 State House  
 Concord, New Hampshire

REQUESTED ACTION

Authorize the Department of Business and Economic Affairs (BEA) to enter into a RETROACTIVE and SOLE SOURCE Cooperative Project Agreement with the University of New Hampshire (VC #177867), Durham, NH, in the amount of \$550,000 for continued support of the Innovation Research Center (NHIRC) for the period July 1, 2019 through June 30, 2021. 100% General Funds

Funding is available as follows:

	<u>FY 2020</u>	<u>FY 2021</u>
03-22-220510-14570000		
Innovative Research Center		
102-500731 Contracts for Program Services	\$275,000	\$275,000

EXPLANATION

The New Hampshire Innovation Research Center (NHIRC) was established to promote the economic well-being for the State's citizens. The New Hampshire General Court established the NHIRC in 1991 pursuant to RSA 187-A:30-33 for the purpose of providing a mechanism to promote applied and basic scientific, engineering, and associated marketing research and technological transfer to support the New Hampshire business community. The NHIRC provides a means for improving the competitiveness of New Hampshire business and the upgrading and development of products and processes through the support and cooperation of the State with business. The supported research, innovation, and technology transfer activities preserve, and increase, the number of jobs in New Hampshire.

Since the NHIRC's inception, 227 grants have been awarded to 148 companies for projects. The value of these projects totals over \$23 million. The NHIRC has awarded over \$8.5 million and companies have matched this with over \$14.2 million. During FY 17-18, the NHIRC Oversight Committee issued two requests announcing the opportunity for applicants to apply for the Granite State Technology Innovation grant. At least 50 inquiries, 27 Letters of Intent, and 19 proposals were received; eight grants were awarded.

The NHIRC is located at UNH/Durham and works cooperatively with the University System of New Hampshire or Dartmouth College (or another New Hampshire provider if necessary) to provide New Hampshire businesses and industries with ways to improve their competitiveness, and to develop new

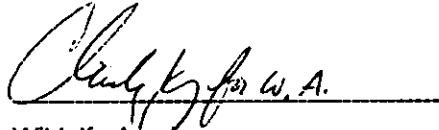
products, or update old equipment. The NHIRC's support services provided by the State encourage the retention and expansion of commercial and industrial businesses by supporting their research and development efforts. Over the years, NHIRC projects have not only retained, but created jobs; increased economic activity, and increased tax revenue with a return of investment of more than \$18:1 in total leverage of state funds.

Pursuant to RSA 187-A:31, this request is SOLE SOURCE. RSA 187-A:31 requires the Department of Business and Economic Affairs to enter into the grant program with the University of New Hampshire.

The Department's request is retroactive due to the continuing resolution and the need to update the cooperative agreement with a scope of work that adds new tasks and accountabilities.

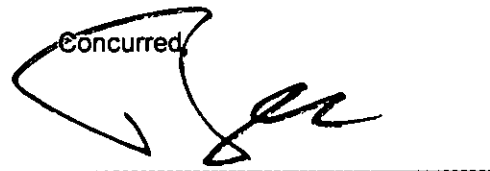
The Attorney General's office has approved this Agreement as to form, substance, and execution.

Respectfully submitted,



Wildolfo Arvelo  
Director

Concurred,



Taylor Caswell  
Commissioner

**COOPERATIVE PROJECT AGREEMENT**

**between the  
STATE OF NEW HAMPSHIRE, DEPARTMENT OF BUSINESS AND ECONOMIC AFFAIRS  
and the  
UNIVERSITY OF NEW HAMPSHIRE of the UNIVERSITY SYSTEM OF NEW HAMPSHIRE**

- A. This Cooperative Project Agreement (hereinafter "Project Agreement") is entered into by the State of New Hampshire, **Department of Business and Economic Affairs** (hereinafter "State"), and the University System of New Hampshire, acting through the **University of New Hampshire**, (hereinafter "Campus"), for the purpose of undertaking a project of mutual interest. This Cooperative Project shall be carried out under the terms and conditions of the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002, except as may be modified herein.
- B. This Project Agreement and all obligations of the parties hereunder shall become effective on the date the Governor and Executive Council of the State of New Hampshire approve this Project Agreement ("Effective date") and shall end on 6/30/21. If the provision of services by Campus precedes the Effective date, all services performed by Campus shall be performed at the sole risk of Campus and in the event that this Project Agreement does not become effective, State shall be under no obligation to pay Campus for costs incurred or services performed; however, if this Project Agreement becomes effective, all costs incurred prior to the Effective date that would otherwise be allowable shall be paid under the terms of this Project Agreement.
- C. The work to be performed under the terms of this Project Agreement is described in the proposal identified below and attached to this document as Exhibit A, the content of which is incorporated herein as a part of this Project Agreement.

Project Title: **New Hampshire Innovation Research Center – FY20 and FY21**

- D. The Following Individuals are designated as Project Administrators. These Project Administrators shall be responsible for the business aspects of this Project Agreement and all invoices, payments, project amendments and related correspondence shall be directed to the individuals so designated.

**State Project Administrator**

Name: Wildolfo Arvelo  
Address:  
Business and Economic Affairs  
100 North Main Street, Suite 100  
Concord NH 03221  
Phone: 603-271-2341

**Campus Project Administrator**

Name: Dianne Hall  
Address:  
University of New Hampshire  
Sponsored Programs Administration  
51 College Road  
Durham, NH 03824  
Phone: 603-862-1942

- E. The Following Individuals are designated as Project Directors. These Project Directors shall be responsible for the technical leadership and conduct of the project. All progress reports, completion reports and related correspondence shall be directed to the individuals so designated.

**State Project Director**

Name: Wildolfo Arvelo  
Address:  
Business and Economic Affairs  
100 North Main Street, Suite 100  
Concord NH 03221  
Phone: 603-271-2341

**Campus Project Director**

Name: Marc Sedam  
Address:  
University of New Hampshire  
UNH Innovation  
21 Madbury Road  
Durham, NH 03824  
Phone: 603-862-4130

F. Total State funds in the amount of **\$550,000** have been allotted and are available for payment of allowable costs incurred under this Project Agreement. State will not reimburse Campus for costs exceeding the amount specified in this paragraph.

Check if applicable

- Campus will cost-share \_\_\_\_\_ % of total costs during the term of this Project Agreement.
- Federal funds paid to Campus under this Project Agreement are from Grant/Contract/Cooperative Agreement No. \_\_\_\_\_ from \_\_\_\_\_ under CFDA# \_\_\_\_\_. Federal regulations required to be passed through to Campus as part of this Project Agreement, and in accordance with the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002, are attached to this document as Exhibit B, the content of which is incorporated herein as a part of this Project Agreement.

G. Check if applicable

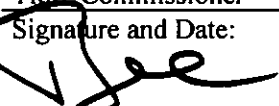
- Article(s) \_\_\_\_\_ of the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002 is/are hereby amended to read:

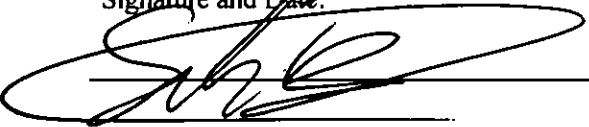
- H.  State has chosen **not to take** possession of equipment purchased under this Project Agreement.
- State has chosen **to take** possession of equipment purchased under this Project Agreement and will issue instructions for the disposition of such equipment within 90 days of the Project Agreement's end-date. Any expenses incurred by Campus in carrying out State's requested disposition will be fully reimbursed by State.

This Project Agreement and the Master Agreement constitute the entire agreement between State and Campus regarding this Cooperative Project, and supersede and replace any previously existing arrangements, oral or written; all changes herein must be made by written amendment and executed for the parties by their authorized officials.

IN WITNESS WHEREOF, the University System of New Hampshire, acting through the **University of New Hampshire** and the State of New Hampshire, **Department of Business and Economic Affairs** have executed this Project Agreement.

**By An Authorized Official of:**  
**University of New Hampshire**  
 Name: Karen Jensen  
 Title: Manager Sponsored Programs Administration  
 Signature and Date:  
 Karen Jensen Digitally signed by Karen Jensen  
 Date: 2019.11.13 13:46:24 -05'00' 11/13/19

**By An Authorized Official of:**  
**Department of Business and Economic Affairs**  
 Name: Taylor Caswell  
 Title: Commissioner  
 Signature and Date:  
 11/15/19

**By An Authorized Official of:** the New Hampshire  
 Office of the Attorney General  
 Name: ERIK RAL  
 Title: Attorney  
 Signature and Date:  


**By An Authorized Official of:** the New  
 Hampshire Governor & Executive Council  
 Name:  
 Title:  
 Signature and Date:

## EXHIBIT A

- A. **Project Title:** New Hampshire Innovation Research Center – FY20 & FY21
- B. **Project Period:** July 1, 2019 through June 30, 2021
- C. **Objectives:** The purpose of this Cooperative Project Agreement between the Department of Business and Economic Affairs and the University of New Hampshire is to promote the economic well-being for the State's citizens. The New Hampshire General Court established an Innovation Research Center in 1991 (RSA 187-A:30-33) for the purpose of providing a mechanism to promote applied and basic scientific, engineering, and associated marketing research and technological transfer to support the New Hampshire business community. The center is expected to provide a means for improving the competitiveness of New Hampshire business and the upgrading and development of products and processes through the support and cooperation of the State with business. The supported research, innovation, and technology transfer activities are anticipated to preserve and increase the number of jobs in New Hampshire and diversify the economy.

This center shall foster cooperative business and university research partnerships to increase the pace of innovative technology developments that expand the New Hampshire economy, increase the number and quality of jobs in New Hampshire, and cause New Hampshire to be more competitive in the world economy. The New Hampshire Innovation Research Center (NHIRC) shall become the foremost advocate in the state for applied science and technology, bridging the gap between industry and academia by the judicious application of "Innovation Investment" competitive contract awards and other developmental support to New Hampshire business. The NHIRC shall seek to expand the available "Innovation Investment" funds by leveraging NHIRC talent and the available grant money provided by the legislatures to pursue and capture Federal and other appropriate funds to increase the pace of innovation and job creation in New Hampshire.

The General Court specified that the Department of Business and Economic Affairs would enter into a grant program with the University of New Hampshire (UNH) to establish a center for innovation research at the Durham campus. Through the grant program, the NHIRC would provide applied and basic scientific, engineering, and associated marketing and research capability and technology transfer in support of New Hampshire's industrial and business community. To accomplish this, the NHIRC is expected to draw upon expertise within the University System of New Hampshire or Dartmouth College (or another NH provider if necessary). The NHIRC may pool its funds with those of other entities, either public or private, for the purpose of delivering services to New Hampshire businesses and industries. To be eligible to receive grant-funded services, businesses and industries must have an ongoing business within the State or an announced intention to locate a business in the State. The program requires that each business or industry receiving grant-funded services match State funds at least dollar for dollar with cash or in-kind and equipment contributions.

The NHIRC may provide services other than grants including but not limited to training regarding the capture and protection of intellectual property, strategic thinking and strategy development, and proposal writing. The assistance might be from the NHIRC director or by small subsidies to assist in the identification and funding of consultants to help the company, or other creative means approved by the NHIRC Oversight Committee.

### **NHIRC Progress to Date**

The NHIRC solicits proposals for technology development and innovation projects through a Request for Proposals (RFP) to be awarded as a Granite State Technology Innovation Grant. These grants expand the research activities of an industry partner by providing funds for collaboration with university faculty and laboratories.

Since the NHIRC's inception in FY 1992, 227 grants have been awarded to 148 companies for projects. The value of these projects totals over \$23M. The NHIRC has awarded over \$8.5M and companies have matched this with over \$14.2M. During the FY 17-18 grant period, - the NHIRC Oversight Committee issued two requests announcing the opportunity for applications to apply for the Granite State Technology Innovation Grant funds. A total of at least 50 inquiries, 27 Letters of Intent, and 19 proposals were received and 8 grants were awarded.

Since its inception the NHIRC awards have been leveraged with federal dollars including to the most recent survey: \$32.5M in Small Business Innovation Research awards and \$44M to New Hampshire in research infrastructure awards through Experimental Program to Stimulate Competitive Research, creating a 18:1 total leverage of state funds. 680 jobs have been created or retained and awardees have raised over \$900M in additional funding creating many marketed products.

- D. Scope of Work for the Project Period (July 1, 2019-June 30, 2021):** The NHIRC will assist New Hampshire businesses foster product and/or process innovation through collaborative research and development projects with faculty at USNH, Dartmouth or other NH academic institutions.

## **Program**

### **1. Innovation Grants**

The NHIRC will bring forward sufficient proposals such that new grants can be awarded each fiscal year. Upon announcing a RFP, the NHIRC office will work with a New Hampshire company official, engineer, or other appropriate personnel to determine if an NHIRC grant is appropriate. If so, upon receiving a letter of Intent, the office will assist that company in finding a researcher at a New Hampshire academic institution, if readily available, with the expertise, willingness, and availability to direct the project. Together, the company representative and the researcher will develop a project plan and budget and will submit a final proposal according to the guidelines. The office will assist both parties to develop a quality proposal to present to the NHIRC Oversight Committee. Final determination as to which projects and the amount to be awarded is determined by the NHIRC Oversight Committee. A company must sign the offered agreement within 60 days of being notified of the award or the grant offer will be withdrawn. The office will monitor project progress and request required reports through project close out. All awardees will be expected to leverage their NHIRC award dollars with federal dollars or venture capital.

### **2. Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR)**

For awarded companies that are eligible for SBIR or STTR assistance, the NHIRC Executive Director will provide training and consulting needed to prepare a company proposal to a federal sponsor. During the project period, the NHIRC should foster the preparation of 3 such proposals and also provide statewide training to promote the additional submission of proposals by potential NHIRC awardees.

### **3. Evaluation**

All NHIRC program activities will be monitored and evaluated from inception by procedures adopted by the NHIRC Oversight Committee. Specific evaluation criteria may include but not be limited to the number of clients served, amount of cash, in-kind and equipment contributions matched by clients, number of high quality jobs created or retained in New Hampshire, additional funding from federal and private sources leveraged by NHIRC awards, commercialized products or processes, growth in company sales or profits, manufacturing costs saved, new areas of research created by the industry partnership and pursued with other sources of federal funding, technological innovation results, transfer of technology from academia to industry, types of services rendered and results that can be tracked and measured over time by objective means.

## **Administration**

### **1. Executive Director**

The Executive Director will be funded up to 5% by the NHIRC. This person is qualified to perform program objectives: establish program delivery and evaluative systems; establish cooperative relationships with individuals, agencies, and organizations; arrange for appropriate promotional activities; negotiate the programmatic terms of grants between UNH and the client companies; and develop short-term and long-term plans for the NHIRC.

The Executive Director is responsible for the overall management and direction of NHIRC programs within NHIRC Oversight Committee policy. The Executive Director serves as the interface for programmatic purposes with New Hampshire businesses and industries, university faculty, State legislators, and the Department of Business and Economic Affairs' representatives. The Executive Director is a UNH employee and reports to the UNH Senior Vice Provost for Research.

## **2. NHIRC Support Staff**

A Program Manager will be funded up to 35% by the NHIRC. This person will maintain the NHIRC's office at UNH and is responsible for individual project management including, but not limited to: responding to company inquires and identifying potential faculty partners; assisting development of project proposals; interactions with faculty; review of preliminary proposals; delivery of final proposals to the NHIRC Oversight Committee for selection and ensuring receipt; and evaluation of awardee progress reports and final reports.

The Program Manager is also responsible for financial management of each project grant, administrative costs, SBIR/STTR training and consulting costs, collecting in-kind match documentation from client companies and requesting contracts, amendments and extensions with UNH Sponsored Programs Administration. This person is responsible to coordinate all program aspects involved in collaborating with the EPSCoR program and other entities in New Hampshire that provide assistance for economic development such as the Small Business Development Center.

This person is responsible to market the program to New Hampshire constituents by way of press releases, the NHIRC website, produce the biennial Impact Report and collect, assess and report evaluation metrics to the Department of Business and Economic Affairs. This person is responsible to provide program support and information required to enable UNH to comply with the terms and conditions of this Project Agreement. This person is a UNH employee and will report to the Executive Director.

## **3. NHIRC Oversight Committee**

An NHIRC Oversight Committee, composed of persons as designated in RSA 187-A:32, will continue to set the policy for, and oversee and direct the operation, of the NHIRC. The NHIRC Oversight Committee will maintain its own operating by-laws in a manner consistent with the intent of RSA 187-A:30-33. The NHIRC Oversight Committee may issue recommendations to UNH and the Department of Business and Economic Affairs, and may assume a public position on an economic technology issue.

The NHIRC Oversight Committee consists of the Department of Business and Economic Affairs' Commissioner or designee; one member of the New Hampshire House of Representatives, appointed by the Speaker of the House; one member of the New Hampshire Senate, appointed by the President of the Senate; Dean of the UNH College of Engineering & Physical Sciences or designee; UNH's Senior Vice Provost for Research; five members representing New Hampshire business and industry, in the areas of manufacturing, medical devices, software, three of whom represent small and medium- sized businesses, appointed by the Governor of New Hampshire; the director of the Dartmouth College Technology Transfer Office or designee; and one faculty member from UNH School of Law's Intellectual Property, Science and Technology Program, appointed by the UNH School of Law. Attached is the current NHIRC Oversight Committee membership list.

The NHIRC Oversight Committee will continue ongoing communication as needed and will meet two times per year to review RFP submissions and award grants, to monitor and evaluate all NHIRC program activities and effectiveness of the NHIRC, and to conduct other business as needed.

## **4. University of New Hampshire (UNH)**

UNH will continue to provide at its own expense physical space, facilities, utilities, and other similar support to the NHIRC at the Durham campus. UNH serves as fiscal agent for NHIRC programs.

The services of the office of Sponsored Programs Administration will be available to administer the grant for the NHIRC. Responsibilities include: preparing project agreements and negotiating administrative and financial

terms and conditions of grants between UNH and the client companies; negotiating sub-grants with Dartmouth or other educational institutions for grants involving non-UNH faculty; billing both company partners and the Department of Business and Economic Affairs; reporting financial information to the Department of Business and Economic Affairs; and coordinating activities with Dartmouth.

## 5. Communications

NHIRC Program Information will be maintained on the NHIRC website and all project data will be available electronically to the Oversight Committee. All requests for project extensions must be sent to the Executive Director for approval prior to being administered by UNH Sponsored Programs Administration. The Executive Director will maintain ongoing communications with the Oversight Committee. Communications regarding the overall administration of this Project Agreement with The Department of Business and Economic Affairs will occur on an as-needed basis.

In addition to the NHIRC logo, the following statement will appear in NHIRC promotional material (printed, digital, or otherwise): "Funded in part by the State of New Hampshire" with an approved BEA logo. BEA retains the right to require proof of compliance of this section and to seek appropriate remedy in cases of non-compliance. Each organization will be responsible for providing any logo changes or amendments to the partner organizations as soon as such changes are approved for use in future materials.

**E. Reports and Other Deliverables:** The NHIRC Executive Director will post bi-annual project activity reports and meeting minutes of the NHIRC Oversight Committee on the NHIRC website. The Company Representative and Academic Investigator will jointly submit a project report containing a detailed analysis of program performance at the end of the project. They will also provide data through an on-line survey, which cumulatively measures the impact of the project on overall state economic development.

- At the end of each biennium, the NHIRC will provide BEA an analysis of program performance in a mutually agreed upon format to include the evaluation criteria detailed in section 3: Evaluation.
- The Executive Director will provide the BEA with NHIRC with company contact information upon request and subject to any and all prevailing confidentiality requirements.
- NHIRC and BEA will participate in a joint day of learning and sharing to ensure staffs are integrated and work collaboratively. Upon agreement, other partners may be included such as the Small Business Development Center and the UNH Cooperative Extension.
- NHIRC and BEA leadership staff will meet every two months to ensure communication and support.

**F. Budget and Invoicing Instructions:** Campus will submit its quarterly invoices in the amount of \$68,750 on regular Campus invoice forms. State will pay Campus within 30 days of receipt of each invoice date.

## 1. Budget Summary



<b>BUDGET SUMMARY</b>	<b>FY2020</b>	<b>FY2021</b>	<b>TOTAL</b>
Program Costs	\$188,687	\$186,173	\$374,860
Administrative Costs	\$86,313	\$88,827	\$175,140
<b>Total:</b>	\$275,000	\$275,000	\$550,000
<b>DETAILED BUDGET</b>	<b>FY2020</b>	<b>FY2021</b>	<b>TOTAL</b>
<b>Program Development</b>			
Innovation Grants	\$173,687	\$171,173	\$344,860
SBIR/STTR Training	\$15,000	\$15,000	\$30,000
<b>Sub-Total:</b>	\$188,687	\$186,173	\$374,860
<b>Administrative Operations</b>			
Salaries & Wages	\$57,802	\$59,536	\$117,338
Fringe Benefits	\$26,011	\$26,791	\$52,802
Travel	\$1,500	\$1,500	\$3,000
Supplies/Services (Web)	\$1,000	\$1,000	\$2,000
<b>Sub-Total:</b>	\$86,313	\$88,827	\$175,140
<b>TOTAL BIENNIUM BUDGET:</b>	\$275,000	\$275,000	\$550,000

## 2. Budget Justification

- **PROGRAM DEVELOPMENT:** This budget will support the Granite State Technology Innovation Grants (GSTIG) for projects selected by the RFP process and will be matched 1:1 by each awarded company in a total of cash, in-kind and equipment contributions. Any funds returned due to unanticipated early project completion or as cash obligations due to projects terminated by a company will go back into the GSTIG program budget.

This budget will support SBIR/STTR Training and Consulting for \$15,000 in year 1 and \$15,000 in year 2. The training may be delivered in collaboration with the NH-SBDC.

- **ADMINISTRATIVE OPERATIONS:** This budget will support Administrative costs at up to 5% for the NHIRC Executive Director and up to 35% for the Program Manager.
- **BENEFIT RATE(S):** The Employee Benefit Rates are based on UNH's most current Rate Agreement with the US Department of Health and Human Services, as required under 2 CFR 200 – Uniform Guidance. A copy of the Rate Agreement is provided annually to the NH Department of Administrative Services. The full Employee Benefits rate applies to salaries and wages, except for hourly and college work study wages, graduate student salaries, and faculty summer salaries. The partial rate applies to non-student hourly wages, FICA-eligible graduate student pay, faculty summer salaries, and other exceptions to faculty and staff contract pay. The postdoctoral research rate applies to all postdoctoral staff.