Building Resilience through Innovation: EDA’s SPRINT Challenge

October 29, 2020
Welcome

Brett Schwartz
Associate Director, NADO Research Foundation
www.nado.org

Jason Rittenberg
Policy and Development Director
SSTI
www.ssti.org
Welcome

Dana Gartzke
Performing the delegated duties of the Assistant Secretary of Commerce for Economic Development

www.eda.gov
Objective:
Learn about the SPRINT Challenge and better understand EDA’s grant process

• OIE Overview
• CARES Act
• Strategic Focus Areas
• Application Checklist
• FAQs and Q+A
Meet the Team

Amanda Kosty
Economic Development Specialist

Emily Miller
Acting Director, OIE
The Office of Innovation and Entrepreneurship (OIE) aims to empower communities so that entrepreneurs can launch companies, scale technologies and create the jobs of tomorrow.
EDA was awarded $1.5 Billion of CARES Act Funding

EDA works directly with communities to build capacity for economic development through:

- Planning and Technical Assistance
- Capitalization and Recapitalization of Revolving Loan Funds (RLFs), which provide access to capital for businesses
- Construction of infrastructure and other economic development projects
  - **Innovation grants**

The SPRINT Challenge is awarded under the Economic Adjustment Assistance (EAA) program and authorized through the Public Works and Economic Development Act of 1965 (PWEDA).
$25 Million for the SPRINT Challenge

The FY2020 SPRINT Challenge aims to enable regional innovation economies to rapidly address the economic, health, and safety risks caused by the coronavirus pandemic through entrepreneurship and innovation.
Program Intent

Applicants should show:
• economic injury from Coronavirus
• innovative approach to build resilient regional economies

• **Short term** – rapidly develop the technologies and supply chains needed to prevent, prepare for, and respond to coronavirus

• **Mid term** – bolster the support networks and resources entrepreneurs need to pivot and excel in this new operating environment

• **Long term** – build more resilient regional economies for the future
Eligible Entities

- District Organization of an EDA-Designated Economic Development District
- Public or Private Non-profit organizations or association
  Acting in cooperation with officials of a political subdivision of a State
- Institution of higher education
  Or a consortium of institutions of higher education
- State, county, city, or other political subdivision of a State
  Including a special purpose unit of a State or Local Government engaged in economic or infrastructure development activities, or a consortium of political subdivisions
- Indian Tribe
  Or a consortium of Indian Tribes
Entrepreneurial Support

SUPPORT ORGANIZATIONS

ENTREPRENEURS
INDIVIDUALS
SCALABLE STARTUP COMPANIES
Funding Opportunity

• up to $500,000 for a 12-month Period of Performance
OR
• up to $750,000 for an 18-month Period of Performance

80:20 match requirement

APPLICATIONS DUE DECEMBER 3, 2020 @ 11:59PM ET

www.eda.gov/oie/sprint
1. Biotechnology, Health Security, & Supply Chain Innovation

Promote innovation and commercialization of technologies and supply chain resources

• Repurposing of existing small to medium manufacturing facilities and maker spaces to expedite production of essential shortages, such as medical devices, ancillary supplies (needles and syringes), PPE including respiratory protective devices (N95)

• Connecting scientific, research, and governmental assets with entrepreneurs and technologists to provide insight and expedite regulatory approval and bring products to market quickly, particularly in bioscience development (e.g., vaccines, therapeutic drugs, discovery programs, etc.) and/or medical devices, diagnostics, and ancillary supplies
2. Entrepreneurship Support

Promote entrepreneurialism to help diversify regional economies so they are more resilient to economic shocks.

- Pivoting business models to virtual and remote programming through the use of collaborative, digital platforms to continue convening and supporting entrepreneurs through mentorship, partnership development, and matching of technical talent and/or businesses with resources and opportunities

- Equipping entrepreneurs and researchers with the knowledge and resources to strongly protect their IP, pivot their business models to address anticipated conditions, build teams, enter markets, and scale businesses
3. Regional, National, & Government Connectivity

Promote general regional, national, and government connectivity to address the shortages of entrepreneurship and innovation resources.

- Forging new and reinforcing existing relationships among regional and national stakeholders, to include partnerships with manufacturing groups and product development

- Hosting special events to showcase inventions, research, technologies, and/or entrepreneurs to promote the exchange of ideas that leads to new collaborations

- Engaging local business associations and governments to ensure that high growth entrepreneurs and companies are more fully integrated into the local business community
4. Access to Capital

Promote access to capital to address urgent capital needs entrepreneurs and startups are facing during the economic crisis.

- Implementing and supporting innovative investment models to increase access to capital for businesses across the capital spectrum (debt, equity, hybrid, & philanthropic funding)

- Addressing critical gaps and shortcomings in the financing landscape, to include launching hybrid financing mechanisms that remove barriers for startups

- Developing platforms or tools to allow for virtual due diligence to expedite fundraising
Don’t get knocked out by a TECHNICAL MISTAKE!!
<table>
<thead>
<tr>
<th>Pre-Application Actions</th>
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<tbody>
<tr>
<td><strong>Obtain an EIN</strong></td>
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<tr>
<td>- Allow up to 5 weeks</td>
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<tr>
<td>- Optional input for DUNS registration</td>
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<td>- Required input for System for Award Management (SAM) registration</td>
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<tr>
<td><strong>Obtain a UEI</strong></td>
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<tr>
<td>- Allow 2 business days to complete the online request</td>
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<td>- Required input for SAM registration</td>
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<tr>
<td>- Formerly DUNS number</td>
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<tr>
<td>- <a href="https://fedgov.dnb.com/webform/">https://fedgov.dnb.com/webform/</a></td>
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<tr>
<td><strong>SAM Registration</strong></td>
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<tr>
<td>- Once the EIN is obtained, allow an additional 2 weeks to complete registration</td>
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<td>- Renew SAM registration annually</td>
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<td>- Designate EBiz POC</td>
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<td>- <a href="https://sam.gov/SAM/">https://sam.gov/SAM/</a></td>
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<tr>
<td><strong>Create a Grants.gov Username &amp; Password</strong></td>
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<tr>
<td>- Allow 1 business day for SAM updates</td>
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<tr>
<td>- EBiz POC assigns Authorized Organization Representative (AOR)</td>
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<tr>
<td>- AOR initiates and submits the application</td>
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Application Checklist

• Check eligibility requirements; SF - 424
• CEDS alignment
• Project Narrative
• Budget Narrative; SF - 424A
• Required attachments -
  • Commitment Letters to show Match
• Applicant-Specific Details -
  • CD-511; SF -LLL; SPOC; Bylaws, etc.
CEDS Alignment

Economic Development Districts (EDDs)
March 2019

MUST be consistent with the region’s current Comprehensive Economic Development Strategy (CEDS) or equivalent EDA-accepted regional economic development plan

- Good economic development starts with good economic development planning
- Economic Development Districts (EDDs)
- CEDS as a “regional blueprint”

KEY QUESTIONS:
1. How do you make sure your proposed project aligns with the CEDS?
2. What if your region doesn’t have an EDD and/or a CEDS?
3. What if your proposed project encompasses multiple EDDs or is state-wide?

- State points of contact/EDRs: https://www.eda.gov/contact
- CEDS information: https://www.eda.gov/ceds

NOFO Section C.4
CEDS Requirement

The applicant must detail how the project **will support the economic needs and objectives outlined in the applicable region’s CEDS** or equivalent EDA-accepted regional economic development strategy **either in project narrative or through a letter of support** from an authorized representative of the relevant Economic Development District (EDD). The applicant should identify the CEDS or equivalent EDA-accepted regional economic development strategy and **provide a copy of this planning document**, either by attaching the document to the application or including a web link for the document.

NOFO Section D.2.a.i
Project Narrative

- Executive Summary
- Location and Regions served
- Proposed Project Description
- Scope of Work
- Project Timeline
- Evidence-based anticipated impacts (outputs and outcomes)
- Address Recovery and Resilience
- Fund information

NOFO Section D.2.a.i
Project Narrative

Formatting:
• no more than ten (10) total pages
• margins no less than one-half inch (0.5”)
• using Arial, Calibri, Times New Roman, or a similar font of
• Font size no less than eleven (11) points

Material beyond the tenth page will not be read or considered.
Budget Narrative

- Description of intended use of funds for each line item
- Corresponding budget category
- Federal share allocation per line item
- Matching non-Federal share allocations

Staffing Plan:
- Identify and describe personnel and roles
- % of time devoted to the project
- Total amount charged
  - Federal share vs. Non-Federal share

Suggested page length: 4 pages
80:20

Most grantees are required to provide an 20% match. Meaning the grant can cover up to 80% of total project budget.

Match Requirements

Matching shares (20%) can be **cash or in-kind**, but must:

1. **Be committed** to the project for the period of performance
2. **Be available** as needed
3. **Not be conditioned or encumbered** in any way that may preclude its use consistent with the requirements of EDA investment assistance

NOFO Section C.3
Grant Request: $480,000

Match: $120,000

Federal Share 80%

Non-Federal Share 20%

Total Project Budget: $600,000

NOFO Section C.3
EDA may establish a maximum investment rate of up to 100% for projects for:

- Indian Tribes
- Projects where the Assistant Secretary determines the applicant has exhausted its effective taxing or borrowing capacity

Neither Federal nor matching share funds can be invested in startups or other companies, whether through equity, debt, or hybrid mechanisms.

NOFO Section C.3
Letters of Support vs. Commitment Letters

**Letter of Support**
- Highlights collaborative relationship with the partner entity
- Shows commitment to applicant project
- One letter per partner
- Signed

**Commitment Letter**
- Highlights specific financial commitment (cash or in-kind)
- Details of commitment, including itemized valuations
- Confirms meets match requirements (unencumbered, available, committed)
- Signed by an Authorized Representative

NOFO Section D.2.a.iii
Technical Forms

• SF-424: Application for Federal Assistance
• SF-424A: Budget Information Non-Construction Programs
• CD-511: Certification Regarding Lobbying

If applicable:
• SF-LLL: Disclosure Regarding Lobbying
• Exec Order 12372 Compliance Documentation (SPOC)
• Organizational Documentation
• Indirect Cost Rate Documentation
Evaluation Criteria

Each section is weighted equally (10 points each)

- Project rapidly address the economic, health, and safety risks caused by the pandemic
- Encourages participation from an inclusive group of regional stakeholders including newly formed entities, rival existing participants, and underrepresented or unconnected populations and organizations, including those in Opportunity Zones and across socioeconomic or geographic categories
- Supported by and connected to local and regional partners, to provide a holistic and strategic approach to the region’s entrepreneurship and innovation-related challenges and needs
Evaluation Criteria

Each section is weighted equally (10 points each)

- **Assets & Infrastructure**: Whether the project has access to / will leverage assets and infrastructure such as technology infrastructure, innovation pipelines, and sources of early-stage capital.
- **Resilience & Recovery**: The extent to which the project is likely to assist with economic resilience (including business continuity and preparedness) and long-term recovery from economic shocks due to the pandemic.
- **Feasibility**: The ability to execute the proposed project successfully, including if the proposed project’s budget and narrative reasonably and realistically correspond to costs & activities.

- **Economic & Innovation Impacts**
- **Engagement & Diversity**
- **Support & Connectivity**
- **Engagement & Diversity**
Tips for a Strong Application

Start early!
Be clear in how the proposed project meets program objectives and evaluation criteria.

Data
Provide data to support your claims.
Propose relevant outcome metrics and provide documentation and data that support how your project will achieve them.

Value Proposition
Demonstrate any novel and innovative aspects of your approach and be clear about your value proposition and the program impact for your community. Show how the project will be sustained.

Show Support
Show strong community support and commitment to the project.
Be specific!
Applicant Resources!
eda.gov/oie/sprint

- **Tutorials:**
  - SF-424
  - SF-424A
  - Budget narrative

- **Template**
  - Optional federal budget template

- **Frequently Asked Questions**

- ** Applicant checklist**

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**APPLICANT RESOURCES**

- FY 2020 SPRINT Challenge NOFO (PDF)
- FY 2020 SPRINT Challenge FAQs (PDF)
- SPRINT Challenge Overview (PDF)
- SPRINT Informational Webinar
- Optional Budget Template (PDF)
- FY 2020 SPRINT Challenge Full Application on Grants.gov
- SPRINT Challenge Application Checklist (PDF)

**APPLICANT TUTORIALS**

- Form SF-424 Tutorial
- Form SF-424A Tutorial
- Budget Narrative Tutorial
Application Process Overview

APPLICATION PERIOD OPENS
October 14, 2020

APPLICATION PERIOD CLOSES
December 3, 2020 @ 11:59pm ET

REVIEW AND SCORING
December 2020 – February 2021

LIVE WEBINAR
October 28, 2020 @ 2:00pm ET

APPLICATION PERIOD CLOSES
December 3, 2020 @ 11:59pm ET

AWARD ANNOUNCEMENTS
Spring 2021
Important Reminders

Application Deadline:
December 3, 2020 @ 11:59 pm EST

Grants.gov Funding Opportunity Number:
EDA-HDQ-OIE-2020-2006705

Website: eda.gov/oie/sprint
Email: oie@eda.gov
Questions?
My organization is a for-profit entity. Can I apply for a grant?

All categories of eligible entities are identified in the NOFO. Individual for-profit startups or businesses are not eligible. Eligible applicants for the FY2020 SPRINT Challenge include a(n):

- District Organization of an EDA-designated **Economic Development District**;
- **Indian Tribe** or a consortium of Indian Tribes;
- **State, county, city, or other political subdivision of a State**, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions;
- **Institution of higher education** or a consortium of institutions of higher education;
- **Public or private non-profit** organization or association acting in cooperation with officials of a political subdivision of a State.

NOFO Section C.1
I’m not sure if my region has a CEDS? Is this a requirement to apply?

Yes, consistency with the region’s CEDS is an application requirement. Each applicant must detail how the project will support the economic needs and objectives outlined in the applicable region’s CEDS or equivalent EDA-accepted regional economic development strategy. The applicant should identify the CEDS or equivalent EDA-accepted regional economic development strategy and provide a copy of this planning document, either by attaching the document to the application or including a web link for the document. In accordance with 13 CFR § 303.7(c)(1), in certain circumstances EDA may accept a non-EDA-funded CEDS that does not contain all the elements EDA requires of a CEDS.

Please reach out to OIE for help identifying the Economic Development District of the relevant project region since the EDD is generally responsible for developing and maintaining the region’s CEDS. Some regions may not be covered by an EDD, and in these cases, EDA can help identify the relevant economic development strategy. Additional resources can also be found here: https://www.eda.gov/edd/
My organization has a national footprint. Will I be competitive?

Applicants should seek to support entrepreneurship and accelerate company growth in their community, region, or combination of regions. Please note that applicants must align with their region’s current Comprehensive Economic Development Strategy (CEDS) or equivalent EDA-accepted regional economic development strategy that meets EDA’s CEDS or strategy requirements. Additionally, non-profit applicants will be required to work in conjunction with the officials of a political subdivision of a state.
Will I be more competitive if I focus on one specific program focus area (of the 4 named earlier) over another?

No. EDA will not limit awards by type of project or focus area. All applications will be evaluated on the six evaluation criteria in section E.1 of the SPRINT Challenge notice of funding opportunity (NOFO). EDA encourages applicants to be thoughtful about the needs of their communities and the unique assets of their communities that can be leveraged to address economic injury from the pandemic through innovation & entrepreneurship.
We are working hard to identify the best type of match for a strong proposal. What recommendations do you have? Do you prefer cash or in-kind?

The nature of matching share funds is not a factor in the competitiveness of a project. This means that EDA will not find applications more or less competitive based on whether matching share funds are provided as cash, in-kind contributions, or a combination of the two. The best types of matching share contributions are those that most effectively advance the proposed project.
If I bring more than the required match, will that make me more competitive?

Whether extra matching share funds are provided is not a factor in the competitiveness of a project. This means that providing more than the required matching share will not necessarily make an application more competitive. It is possible that extra matching share could somehow expand project activities to make the application more competitive based on the six evaluation factors articulated in section E.1. of the SPRINT Challenge NOFO.

Most important is to ensure that matching share, whether cash or in-kind contributions, is committed, available as needed, and not conditioned or encumbered in any way that may preclude its use consistent with the requirements of EDA investment assistance and advances the goals of the proposed project.
Can innovation prizes or grants to startup companies be funded under the SPRINT Challenge?

No. SPRINT Challenge award funds may not be passed directly to for-profit companies receiving program services, including through innovation prizes or grants to startup companies. Further, as discussed in section A.3. of the SPRINT Challenge NOFO, neither federal share nor matching share funds can be used for investments in startups or other companies, whether through equity, debt, or hybrid mechanisms.

It may be permissible to subaward funds to entities that would be eligible for funding under the SPRINT Challenge NOFO or to contract for goods and services for use in performing the scope of work of an award.
Can I include sub-awardees in my application?

Yes. Sub-awardees may be included in the scope of work and budget. For more information on the requirement for sub-awarding, see 2 CFR § 200.331 (Requirements for pass-through entities).

The following table further explains the various roles and obligations of co-applicants, sub-awardees, and contractors:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Co-Applicant</th>
<th>Sub-Awardee</th>
<th>Contractor</th>
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</thead>
<tbody>
<tr>
<td>Needs to complete a full application</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>May be eligible to receive award disbursements directly from EDA</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Must be an eligible entity as described in the NOFO</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>Performs all or a portion of project activities and generally has responsibility for program implementation</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>Costs incurred may be attributed to the award (as consistent with the award, including the scope of work)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</table>
May funds from other federal awards be used as matching share?

In general, funds received from other federal awards may **not** be used as matching share. Funds from other federal awards may only be used as matching share if there is specific language in the statute governing the other award which allows such use (e.g., HUD CDBG grants). See 2 CFR § 200.306(b)(5). Questions regarding whether federal award funds may be used as matching share should be addressed to EDA as early as possible, preferably prior to submitting a full application.
 applications due December 3, 2020 by 11:59pm ET