2015 MEP State Competition – Round 2
Frequently Asked Questions

1. What is the anticipated schedule for notification of awardees?

We anticipate the review, selection and award processing to conclude by late 2015. The anticipated start date for awards made under this opportunity is expected to be January 2016.

2. May unsuccessful applicants request a debriefing?
Yes. Unsuccessful applicants may request a debriefing, which will provide constructive feedback that can assist applicants to develop improved proposals in the future. Briefings should take the form of advice to applicants on the strengths and weaknesses of their own proposals in terms of the published evaluation and review criteria.

3. Can we use color charts in the proposal and can we use web links?

Yes, you may use color charts in the application. The applicant must provide information that is responsive to the FFO. The evaluation panel will not be accessing or otherwise researching web links that have been provided by the applicant to gain additional information about the applicant or proposed scope of work.

4. Any limitations on fonts or font sizes?

Please refer to Section IV.2.b. of the FFO for the font size requirement. The requirement is an "[e]asy to read font (11-Point minimum). Small type may be used in figures and tables but must be clearly legible."

5. On page 17, the FFO states that the Technical Proposal is included in the 40-page limit but the budget tables and budget narrative are excluded from the page limit. However, page 13 states that the budget and budget narrative should be included within the Technical Proposal and page 24 indicates review criteria associated with the budget and budget narrative. Should the budget and budget narrative be a separate file outside of the 40-page limit or not?

The budget and budget narrative may be submitted either as a separate document or within the Technical Proposal. The budget tables and budget narrative will be excluded from the page limit regardless.

6. Page 14 of the FFO says: "it is also inappropriate to ask Federal employees for a letter of support." Are Federal legislators (e.g., Senators, Representatives) defined as "Federal employees" for this purpose?

For purposes of the FFO, "Federal employees" are considered employees of the Federal Executive Branch and not members of the Federal Legislative Branch. Thus, letters of support from Federal Legislators would not be prohibited under the FFO.

7. Section III.3.a. of the FFO provides that NIST MEP will not fund an organization that outsources core management and oversight functions pertaining to an MEP award. How does this restriction apply to States and other applicants that use SRA's?

As set forth in Section III.3.a. of the FFO (reproduced below), an MEP recipient must maintain direct oversight and accountability over the management and operational aspects of an MEP project. Accordingly, while subrecipient agreements (SRAs) are permitted under the MEP Program, the primary recipient of the MEP award must demonstrate to NIST's satisfaction that it will maintain direct oversight and responsibility relative to core financial and management responsibilities under an MEP award.

[Section III.3.a. of the FFO]

MEP Core Management and Oversight Functions. *An MEP Center, as a direct recipient of Federal financial assistance funds under an MEP cooperative agreement, must possess and maintain, at all times during an MEP award period, accountability to directly manage and execute all functions material and inherent to the successful operation of a Center, which include, but are not limited to, the following:*

*1. **Budget execution**, including the responsibility for determining and executing budget policy, guidance and strategy, and the determination of program priorities and associated budget or funding requests;*
*2. **Policy implementation**, including the responsibility for determining the content and implementation of financial and program policies and procedures impacting the recipient's MEP project;*
*3. **Human resources management**, including the responsibility for selecting individuals for Center employment and for selecting contractors and the direction, control, and performance management of Center employees and oversight of contractors; and*
*4. **Strategic planning** and project execution and management, including the responsibility for:*

*a. **Strategic planning functions** such as the following: determination of project requirements, approval of a project implementation strategy, and the development and monitoring of agreements and statements of work with subrecipients, vendors, third-party contributors and other strategic partners; and*
*b. **Project execution** and management functions such as submission of required financial and technical reports, maintenance of a functioning financial management system that satisfies the requirements found in 2 C.F.R. Section 200.302, in order to ensure that costs charged against an MEP award are reasonable, allocable, and allowable under applicable Federal cost*

principles; and adherence to the terms and conditions of the MEP award.

In extraordinary situations, the NIST Grants Officer may allow a recipient to temporarily outsource its management and oversight responsibilities under an MEP award. If an applicant is proposing such a structure, the applicant must include with its application a detailed explanation and accompanying documentation (e.g., copies of draft contracts or other agreements) supporting its outsourcing request.

8. Does the budget for Federal resources need to match the annual Federal funding amount under Section II.2. of the FFO? Can a proposal include a request for Federal funding greater than that listed in the table (page 6) in any year?

As set forth in Section II.2. of the FFO, applicants may propose annual Federal funding amounts that are different from the anticipated annual Federal funding amounts set forth in the funding table; provided that the total amount of Federal funding being requested by an applicant does not exceed the total amount of Federal funding for the five-year award period as is also set forth in the funding table. For example, if the anticipated annual Federal funding amount for an MEP Center is $500,000 and the total Federal funding amount for the five-year award period is $2,500,000, an Applicant may propose Federal funding amounts greater, less than, or equal to $500,000 for any year or years of the award, so long as the total amount of Federal funding being requested by the Applicant for the entire five-year award period does not exceed $2,500,000.

9. What are the non-Federal cost sharing requirements under the MEP Program?

As set forth in Section III.2. of the FFO, non-Federal cost sharing of at least 50 percent of the total project costs is required for each of the first through the third year of an MEP award, with an increasing minimum non-Federal cost share contribution beginning in year 4 of the award as follows:

Award Year	Maximum NIST Share	Minimum Non-Federal Share
1-3	1/2	1/2
4	2/5	3/5
5 and beyond	1/3	2/3

Non-Federal cost sharing is that portion of the project costs not borne by the Federal Government. The applicant's share of the MEP Center expenses may include cash, services, and third party in-kind contributions, as described at 2 C.F.R. § 200.306, as applicable, and in the MEP program regulations at 15 CFR § 290.4(c). No more than 50% of the applicant's total non-Federal cost share for any year of the award may be from third party in-kind contributions of part-time personnel, equipment, software, rental value of centrally located space, and related contributions, per 15 CFR § 290.4(c)(5). The source and detailed rationale of the cost share, including cash, full- and part-time personnel, and in-kind donations, must be documented in the budget tables and budget

narratives submitted with the application and will be considered as part of the review under the evaluation criterion found in Section V.1.c.ii. of this FFO.

Recipients must meet the minimum non-Federal cost share requirements for each year of the award as identified in the chart above. For purposes of the MEP Program, "program income" (as defined in 2 C.F.R. § 200.80, as applicable) generated by an MEP Center may be used by a recipient towards the required non-Federal cost share under an MEP award.

As with the Federal share, any proposed costs included as non-Federal cost sharing must be an allowable/eligible cost under this program and under the Federal cost principles set forth in 2 C.F.R. part 200, Subpart E. Non-Federal cost sharing incorporated into the budget of an approved MEP cooperative agreement is subject to audit in the same general manner as Federal award funds. *See* 2 C.F.R. part 200, Subpart F.

10. Will an "overmatch" of non-Federal cost share affect the amount of the Federal award?

NIST does not require applicants to provide non-Federal cost share in an amount greater than the minimum requirement for each project year as set forth in the FFO (i.e., an overmatch of non-Federal share).

The amount of Federal funding identified in the chart in Section II.2 will not increase as a result of an applicant's overmatch of cost share. If an applicant proposes cost share more than the minimum requirement and the application is selected for award, the proposed cost share structure will be the approved project budget as reflected in the official award documentation. In such cases, the applicant will be required to provide the entire amount of the proposed cost share, including any overmatch.

11. Does NIST view overmatching as a positive or a negative? Does it enhance a center's competitiveness to overmatch?

NIST evaluates the totality of an application in accordance with the evaluation criteria set forth in the FFO, including the applicant's ability to effectively provide MEP services in the subject geographical service area. NIST does not award any specific bonus points as a result of an applicant proposing cost share in an amount greater than the minimum requirements contained in the FFO (i.e., overmatch).

12. What happens if a center overmatches in the budget, but for some reason can't achieve the proposed overmatch in any given year? If the match requirement doesn't change as you say, what are the consequences?

The outcome of not meeting budgeted cost share would be a reduction/return of Federal funding in an amount corresponding to the shortfall in non-Federal funding. The amount of the reduced/returned Federal funding would be based on the cost share rate for the award. For example, if the cost share ratio is 60% non-Federal and 40% Federal, a

shortfall of $100k in non-Federal cost share would result in a reduction/return of $40k of Federal funding.

13. Can unexpended program income in one year be shown as "Applicant Contribution" in the following budget year budget?

Yes, unexpended program income may be shown as an applicant contribution in subsequent budget years, subject to the requirements and limitations set forth in Section 13 of the MEP General Terms and Conditions (February 2015).

14. Would part-time staff contributed by a subrecipient or by a third-party contributor be considered cash or in-kind cost share?

Full-time and part-time employees allocated to an MEP Center project by a subrecipient or by a third-party contributor would constitute an in-kind contribution to an MEP Center as the MEP Center did not directly incur such personnel costs. Importantly, the allocation of part-time employees to an MEP Project by a subrecipient or by a third-party contributor is subject to the limitation contained in 15 C.F.R, § 290.4(c)(5), which provides that an MEP Center may count as part of its cost share the "[i]n-kind contribution of part-time personnel, equipment, software, rental value of centrally located space (office and laboratory) and other related contributions up to a maximum of one-half of the host's annual share." A full time employee contributed to an MEP Project by a subrecipient or by a third-party contributor is also considered an in-kind contribution to an MEP Center, but is not subject to the limitation contained in 15 C.F.R. § 290.4(c)(5).

15. How much detail is required to document a subrecipient plan? Do we need to have everything nailed down, or does a program description (including budget and plan) and letter of commitment suffice?

MEP proposals should include enough information to help NIST MEP verify that subrecipients identified in the proposal are able to comply with program requirements. NIST MEP highly encourages the submission of a full, draft subrecipient agreement at the application stage; however, at a minimum, proposals should include a statement of work, including a clear description of the work to be performed, the proposed timelines and deliverables; a budget and budget justification, including the subrecipient's direct and indirect costs, calculated using the subrecipient's approved facilities and administrative (F&A) and fringe benefit rates (as applicable); and verification of any committed cost sharing (as applicable).

Please note that the Letters of Commitment and/or Support is not considered as part of the page count.

16. What is MEP's definition of Rural, Start-Up, Emerging and Very Small Manufacturers?

Rural Manufacturers: Any manufacturing establishment located in a county not defined as part of a metropolitan area. NIST MEP will use the 2013 Rural-Urban Continuum Codes maintained by the Economic Research Service of the United States Department of Agriculture to define a NIST MEP client manufacturing establishment as rural. Using this system, any county with a rurality index of 4 or higher is considered a rural county. Counties with codes 1, 2, and 3 are considered urban areas.

Start-Up Manufacturers: A manufacturing establishment that has been in operation for five years or less.

Emerging Manufacturers: A term considered to be synonymous with "start-up" manufacturing establishment.

Very Small Manufacturers: Manufacturing establishment with fewer than 20 employees.

17. Is a cover page required or encouraged?

A cover page is not required; however if you include one, it is counted towards the 40 page limit.

18. Do you have a center in Texas?

Yes, we have an MEP Center in Texas. The University of Texas @ Arlington (DBA TMAC) organization. You can locate more information about TMAC including contact information on their website. To locate other MEP centers please visit the MEP website and Find Your Local Center.

20. Will you only be awarding one applicant per State listed?

Yes, per the language in the "Funding Opportunity Description" on the top of page 2, ***"NIST anticipates awarding one (1) cooperative agreement for each of the identified States."***

21. What if the proposed MEP doesn't feel they need as much funding as listed in the FFO or can't meet the match required?

As set forth in Section II.2. of the FFO, applicants may propose annual Federal funding amounts that are different from the anticipated annual Federal funding amounts set forth in the funding table, provided that the total amount of Federal funding being requested by an applicant does not exceed the total amount of Federal funding for the five-year award period as is also set forth in the funding table. For example, if the anticipated annual Federal funding amount for an MEP Center is $500,000 and the total Federal funding amount for the five-year award period is $2,500,000, an Applicant may propose Federal funding amounts greater, less than, or equal to $500,000 for any year or years of the

award, so long as the total amount of Federal funding being requested by the Applicant for the entire five-year award period does not exceed $2,500,000.

As set forth in Section III.2. of the FFO, non-Federal cost sharing of at least 50 percent of the total project costs is required for each of the first through the third year of an MEP award, with an increasing minimum non-Federal cost share contribution beginning in year 4 of the award as follows:

Award Year	**Maximum NIST Share**	**Minimum Non-Federal Share**
1-3	1/2	1/2
4	2/5	3/5
5 and beyond	1/3	2/3

Recipients must meet the minimum non-Federal cost share requirements for each year of the award as identified in the chart above. For purposes of the MEP Program, "program income" (as defined in 2 C.F.R. § 200.80, as applicable) generated by an MEP Center may be used by a recipient towards the required non-Federal cost share under an MEP award.

22. On page 22 of the FFO, do I understand it to mean that the reviewers will assess the strategy PROPOSED for the Center to define the target market? Or will assess the applicant's market understanding as already demonstrated in the proposal?

The reviewers will assess both the applicants' strategy for defining the target market in addition to the applicant's market understanding as stated in Evaluation Criterion a.i and a.ii (Center Strategy & Market Understanding) on page 21.

The Reviewers will assess both the applicants strategy proposed for the Center to deliver services that support a strong manufacturing ecosystem, meet manufacturers' needs and generate impact (including the sub-bullets of "i") and the strategy proposed for the Center to define the target market, understand the needs of manufacturers (especially Small and Medium Enterprises (SMEs)), and to define appropriate services to meet identified needs. Reviewers will evaluate the proposed approach for regularly updating this understanding through the five years (including the sub-bullets of "ii").

24. How often do you issue the opportunity to open a new center? Annually?

The MEP program is undergoing a multi-year effort to conduct a full and open competition to select operators for MEP centers. The primary objective is to optimize the impact of the Federal investment on U.S. manufacturing and to allocate additional funds to areas with higher concentrations of manufacturers.

These competitions provide an opportunity to expand the number of small manufacturers served by the network and to align the program activities with the strategic goals of the states.

Initial awards issued pursuant to this FFO are expected to be for up to five (5) years with the possibility for NIST to renew the award, on a non-competitive basis, for an additional 5 years at the end of the initial award period.

The full process is expected to include programmatic, policy, financial, administrative, and responsibility assessments, and the availability of funds, consistent with Department of Commerce and NIST policies and procedures in effect at that time.

The full system competition will be completed by December 2016.

25. We were encouraged to read the MEP Strategic Plan (2014-2017). Can you confirm that the only document available is the "MEP Strategic Plan Brochure"?

NIST MEP strongly encourages applicants to read the MEP Strategic Plan which outlines the programs objectives over the next few years. In addition to the MEP Strategic Plan, there are additional documents available on our website that may provide further background on the MEP Program. (http://nist.gov/mep/ffo-state-competitions-02.cfm).

26. When State Universities are writing for the proposal, do the Board of Regents need to provide a Letter of Support for the Financial Plan?

As provided in Section IV.2.a.(7)(b)(i) (page) of the FFO, the applicant must submit a letter of commitment from an authorized representative of the applicant stating the total amount of cost share to be contributed by the applicant during the 5-year project period, with certain per year breakouts. For purposes of the cost share commitment letter and subject to University policy, an authorized representative may be the same person that signs the SF-424, Application for Federal Assistance, or another authorized representative of the University.

Are they required to approve the submission?

No (unless otherwise required by University policy). Section IV2.a.(7)(a) pertains to Nonprofit Organizations as defined in 2 C.F.R. § 200.70 and not to Institutions of Higher Education as defined in 2 C.F.R. § 200.55.

27. Does the language in the Center Oversight Board section on page 11 apply to sub-recipient boards such that people can't serve on more than one sub-recipient board, or simultaneously serve on an MEP Center Oversight Board and the board of one of its sub-recipients?

The language included in the Center Oversight Board section on page 11 is intended to apply to the prime recipient's (MEP Center's) Oversight Board. However, as discussed below, there are conflicts of interest rules that apply to MEP cooperative agreements that applicants should be aware of in structuring Center Oversight Boards, and in the selection of organizations to serve as subrecipients.

In accordance with 2 C.F.R. § 200.112 ("Conflicts of interest"), each non-Federal entity (direct recipients and subrecipients) must comply with conflicts of interest policies for Federal awards and must disclose in writing any potential conflicts of interest to the Federal award agency or pass through entity. For purposes of MEP cooperative agreements, the applicable conflicts of interest policies are set forth in the Department of Commerce Financial Assistance Standard Terms and Conditions (December 26, 2014) (DoC Standard Terms and Conditions), Section J., "CODES OF CONDUCT AND SUBAWARD, CONTRACT, AND SUBCONTRACT PROVISIONS" (accessible at: http://www.osec.doc.gov/oam/grants_management/policy/documents/DOC_Standard_Terms_12_26_2014.pdf). In particular, Section J.3., "COMPETITION CODES OF CONDUCT FOR SUBAWRDS," of the DoC Standard Terms and Conditions provide that:

a. The non-Federal entity must be alert to organizational conflicts of interest as well as other practices among subrecipients that may restrict or eliminate competition.

b. The non-Federal entity shall maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of subawards. No employee, officer, or agent shall participate in the selection, award, or administration of a subaward supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization in which he/she serves as an officer or which employs or is about to employ any of the parties mentioned in this section, has a financial interest or other interest in the organization selected or to be selected for a subaward. The officers, employees, and agents of the non-Federal entity shall neither solicit nor accept anything of monetary value from subrecipients. However, the non-Federal entity may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

c. A financial interest may include employment, stock ownership, a creditor or debtor relationship, or prospective employment with the organization selected or to be selected for a subaward. An appearance of impairment of objectivity could result from an organizational conflict where, because of other activities or relationships with other persons or entities, a person is unable or potentially unable to render impartial assistance or advice. It could also result from non-financial gain to the individual, such as benefit to reputation or prestige in a professional field.

A recipient of an MEP cooperative agreement is expected to apply the applicable conflicts of interest standards to prevent real or apparent conflicts of interest at the recipient and at the subrecipient levels, in general, and with regard to the two examples provided in the above question: (1) an individual serving on more than one subrecipient board; or (2) simultaneously on an MEP Center Oversight Board and the Board of one of its subrecipients. In all instances, a recipient of an MEP cooperative agreement must ensure that adequate policies and procedures are in place to require that any Center Oversight Board Member who is employed by, an officer of, or otherwise has a real or apparent conflict of interest with respect to a subrecipient organization (or with a vendor), recuses himself/herself from participation in decision-making by the Center Oversight Board that affects the subrecipient (or vendor) organization, or otherwise takes appropriate action to avoid a real or apparent conflict of interest in accordance with the recipient organization's conflict of interest policy. *See also* 2 C.F.R. Sections 200.331for the due diligence requirements, flow down provisions and other information that are applicable to or that must be contained as part of a subaward.

28. Is a specific requirement for any MEP center staff to be full-time? I could not tell from the announcement itself whether a center needed a full-time director.

There is no specific requirement that MEP Center staff be dedicated full-time to an MEP Center project. However, it is typically the case (especially for new MEP Centers) that at least the MEP Center Director is dedicated on a full-time basis to an MEP Center project.

29. Do each of the sub-recipients need to submit a detailed budget narrative as part of the State of XXX application?

No, detailed budget narratives for subawards do not need to be submitted as part of the application. NIST may, however, ask the successful applicant for subrecipient budget narratives on a post-award basis.