MAKING AN IMPACT ON U.S. MANUFACTURING

MEP State Competition Frequently Asked Questions (FAQs)

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MEP • MANUFACTURING EXTENSION PARTNERSHIP

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2016 MEP State Competition
Frequently Asked Questions (FAQs)

The below FAQs are for informational purposes only and are intended solely to assist potential MEP Center applicants in better understanding the MEP Center program and the application requirements set forth in the Announcement of Federal Funding Opportunity (FFO) for Round 3 of the 2016 MEP State Competition. The FAQs do not and are not intended to supersede, modify, or otherwise alter applicable statutory or regulatory MEP Center requirements or the specific application requirements set forth in the FFO. In all cases, MEP statutory and regulatory mandates, and the requirements set forth in the FFO, shall prevail over any inconsistencies contained in the below FAQs. ***Please note that recently added questions have been identified by the date in which they were added to this document. Any previous responses that have been updated have also been identified by an "updated date".***

A. MEP PROGRAM BACKGROUND

1. **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-03.cfm.

B. OVERALL COMPETITIVE PROCESS

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

   We anticipate the review, selection and award processing to conclude by end of summer 2016. The anticipated start date for awards made under this opportunity is expected to be October 2016.

2. **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 early 2017.

3. **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.

4. **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."***

5. **Will all the Center's be re-competed after year 5? How will the centers know if they will be funded beyond year 5? What is the process? (Added 2/12/16)**

   Per the FFO, 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 review processes in 15 C.F.R. § 290.8 will be used as part of the overall assessment of the recipient, consistent with the potential long-term nature and purpose of the program. In considering renewal for a second five-year, multi-year award term, NIST will evaluate the results of the annual reviews and the results of the 3rd Year peer-based Panel Review findings and recommendations as set forth in 15 C.F.R. § 290.8, as well as the Center's progress in addressing findings and recommendations made during the various reviews. 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.

6. **How will the competition affect Centers that are up for cooperative agreement renewal around the time of the publication of the FFO? (Added 2/12/16)**

   To ensure continuity of service delivery during the award competitions, NIST MEP will work with the centers on preparing an extension package covering the time period between the current end date and the targeted start date of a new award in that particular

state. For example, if an MEP Center award ends on June 30, 2016, a package for continued funding would be submitted for July 1, 2016 – September 30, 2016 to ensure continuity of service within the subject region. The NIST MEP Regional Managers (RMs), Federal Program Officers (FPOs) and Grant Specialists will be coordinating this effort.

7. **Can the applicant engage in conversation with NIST MEP after submitting their application? (Added 2/12/16)**

   No, MEP Staff cannot engage in conversations related to the competition or your application once the FFO has published. All questions related to the competition must be directed to mepffo@nist.gov. NIST MEP will review the question(s) and provide a response as appropriate.

8. **Have you captured lessons learned from Rounds 1 & 2? (Added 2/12/16)**

   Yes. We have highlighted testimonials from previous applicants in the Regional Information Forum Presentation. To view this presentation, please go to http://www.nist.gov/mep/ffo-regional-forum-state-competitions-03.cfm.

9. **Has MEP already conducted kick-off meetings for the previous competitions? (Added 2/12/16)**

   Yes, MEP conducted a kick-off meeting with Round 1 winners late July 2015 and the Round 2 kick off was held late January 2016. MEP will determine the timing of the Round 3 kick-off during the summer of 2016.

10. **Can we see an awarded application? (Added 3/10/16)**

    NIST does not release the awarded applications as a result of a competition. We suggest that you reach out to a recently award entity directly to request specific information pertaining to their application. A list of MEP Centers is available on our program website, http://ws680.nist.gov/mepmeis/FindYourLocalCenter.aspx.

C. APPLICATION AND SUBMISSION INFORMATION

1. **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.

2. **Any limitations on fonts or font sizes?**

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

3. **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.

4. **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.

5. **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.

6. **For letters, who should they be addressed to? Just MEP Program/ "to whom it may concern"?**

   Required Letters of Support must be included in the application submission in grants.gov. All other general letters of support must also be submitted with application in grants.gov as an appendix (Please refer to Section IV.2.a.7 – Letter of Commitment or Support)

7. **When State Universities are writing for the proposal, do the Board of Regents need to provide a Letter of Support for the Financial Plan? (Added 2/12/16)**

   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.

8. **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 the subawards identified in the proposal are consistent with the purposes and goals of the MEP Center program, and that subrecipients identified in the proposal are able to comply with MEP program requirements. NIST MEP encourages the submission of a full, draft subrecipient agreement, including a proposed budget and budget narrative, at the application stage; *however*, *at a minimum*, proposals should identify anticipated subaward amounts, the proposed subawardees (if known at the time of application) and a detailed description of the purpose of each subaward (*see* Section IV.2.a.(6)e) of the FFO). Note that NIST may ask successful applicants for copies of draft and fully executed subrecipient agreements, including budgets and budget narratives, on a post-award basis.

   Applicants should also keep in mind that letters of commitment/support from proposed subrecipients that are key to the success of the proposed MEP Center are useful to NIST for verifying the availability of resources, but are not required. Applications without commitment letters from all identified, proposed key subrecipients may be considered less favorably during the application review process. The MEP Center applicant should include information regarding any planned cost share contribution from a subrecipient in the applicant's letter of commitment (*see* Section IV.2.a.(7)c) of the FFO). Please note that the letters of commitment/support are not considered as part of the application page count.

9. **Is a Subrecipient agreement part of the page count of the application?**

   No, if the applicant provides a draft copy of a subrecipient agreement it is not counted towards the 40 page limit.

10. **Are minutes from the board meeting acceptable commitment letters? (Added 2/12/16)**

    No, per the FFO "For non-profit applicants with a fiduciary board of directors, a resolution from such board authorizing submission of the MEP Center application to NIST

and supporting the activities described therein is required." In addition, the application must provide a letter of cost share commitment outlining the contributions for each of the five years of the proposed center.

11. **The FFO states that up to five resumes can be provided for key personnel. How do we show the expertise of our other staff that have been with the organization for many years? (Added 2/12/16)**

    Please refer to Section IV.2.a.(6)(d) for guidance on the requirements for addressing the Qualifications of the Applicant; Key Personnel, Organizational Structure and Oversight Board or Advisory Committee.

12. **Do we have to submit written approval from our board? We are a state agency, so we don't have a fiduciary board. Our understanding is that we would not, but want to double check. (Added 2/25/16)**

    Per the FFO, Section IV.2.7 non-profit organizations must provide a resolution from the fiduciary board authorizing submission of the MEP Center application to NIST and supporting the activities described therein.

    Per Section IV.2.7.b, The applicant is required to provide a letter of commitment from an authorized representative of the organization, stating the total amount of cost share to be contributed by the applicant towards the proposed MEP Center project separate and apart from the submission of the proposal. The stand-alone letter must cover all five (5) years of the proposed MEP Center project and include a per year break-out of the applicant's contribution of non-federal cost share, as well as a per year break-out of cash cost share (including anticipated program income) and in-kind (non-cash) contributions.

13. **Could you please confirm that we can submit TEST applications and that the last submission is considered final and forwarded to MEP. Do we somehow identify the application that we want to be accepted as FINAL? If we submit TESTs applications, how can we be sure which one is accepted as the FINAL and moved on to MEP? (Added 3/9/16)**

    Applicants may submit multiple test application submissions into Grants.gov. The <u>last</u> application received in Grants.gov <u>by the deadline</u> will be the application considered as FINAL and considered for evaluation by the MEP Program Office. Grants.gov assigns a unique identifier to each application submitted.

14. **On the SF424 form in box 14, the fillable form will not allow a short response like it has in the past and now requires an attachment. What should I do? (Added 3/9/16)**

This field should allow for a short response, however if it is not doing so please type the answers on a word document and attach it as part of the application submission.

15. **It doesn't look like there is a requirement for an SRA-TPC Table, is that accurate? (Added 3/9/16)**

    An SRA-TPC Table is not required as part of the application submission.

16. **On the SF424 in box 18, should the financial information cover all 5 years? (Added 3/9/16)**

    Yes, in box 18 of the SF424 you must reflect the federal funding being requested for Years 1-5 along with the minimum cost share required for all 5 years of the proposed center.

D. CORE MANAGEMENT AND OVERSIGHT FUNCTIONS

1. **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.

   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 CFR 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 certain or all of 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.

The sufficiency of the proposed Core Management and Oversight Functions will be evaluated against an evaluation criterion (*see* Section V.1.b.i. of the corresponding FFO).

2. **We are a statutorily authorized, tax-exempt corporation that acts as the fiscal agent for externally-funded activities at our University. The programmatic activities would be conducted by a manufacturing outreach division of the University and we would be conducting many of the administrative components (identified in section III.3.a of the solicitation) in concert with the manufacturing division. Would this generally be an eligible arrangement to conduct the project, particularly as it relates to the prohibition on outsourcing of administration and oversight responsibilities?**

    Additionally, as it relates to section III.3.b, there is a reference to "articles of incorporation or charters, ratified by-laws and conflict of interest policies." Is it acceptable for the Oversight Board to develop its own charter, by-laws, and other items within an existing organization, or is it preferable that it be conducted as a separately organized corporation? In other words, do these documents need to be registered with a state organization (e.g. a Secretary of State's Office) or can they be internally maintained?

    Per the FFO, NIST/MEP staff will not critique or provide feedback on specific ideas/approaches at any time before submission of a proposal to MEP.

    In general, the MEP Program accommodates a variety of approaches/structure within the published FFO. Applicants are advised to describe the proposed center structure in detail and in accordance with the FFO requirements. With regards to the MEP Oversight Board,

NIST does not require that the Oversight Board be a separate organization (Please refer to Section I.3).

Please refer to Section I.4 regarding MEP Core Management and Oversight Functions.

E. OVERSIGHT BOARD AND/OR ADVISORY COMMITTEE AND GOVERNANCE

1. **Does the language in the Center Oversight Board section (Section I.3) 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 I.3 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.

2. Can vendors serve on advisory board?

Per Section I.3.a of the FFO, members of the Oversight Board and/or Advisory Committee may not concurrently serve on more than one MEP Center Oversight Board or serve as a vendor or provide contractual services to the Recipient or to a Subrecipient.

3. **NIST MEP has, on occasion, communicated directly with a Center Director and the Center's Board President or other Officers of the Board for matters such as CORE scorecard sharing, Panel Review reports, upcoming NIST MEP events and so forth. If a state agency that reports to the Governor and an MEP Program Advisory Board is selected as an MEP Center, who would NIST MEP send such correspondence to in addition to the Center Director? Would NIST MEP send such correspondence to the Governor, the Advisory Board Chair, or some other persons or entities? (Added 2/12/16)**

   In the case of state run MEP Centers the state designates a representative to head its fiduciary board and a center director. These are the people who receive the performance information on the center.

F. BUDGET AND COST SHARING OR MATCHING REQUIREMENT

1. **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.

2. **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.

As set forth in Section IV.2.a.(7) of this FFO, a letter of commitment is required from an authorized representative of the applicant, stating the total amount of cost share to be contributed by the applicant towards the proposed MEP Center. Letters of commitment for all other third-party sources of non-Federal cost sharing identified in a proposal are not required, but are strongly encouraged.

3. **Will an "overmatch" of non-Federal cost share affect the amount of the Federal award? What happens if a center overmatches in the budget, but for some reason can't achieve the proposed overmatch in any given year?**

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.

Prior written approval of the NIST Grants Officer is required for any reduction to the amount of non-Federal cost share and may result in a corresponding reduction (based on the Federal/non-Federal cost sharing ratio) to the amount of Federal funds under the award.

4. **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).

5. **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).

6. **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).

7. **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.

8. **For years 2-5, which require lower levels of budget detail than Year 1, do we need to provide any detail beyond what can displayed in SF-424A?**

   In addition to the SF424A's, applicants must also provide a budget table for years two (2) through five (5) of the project; however, a budget narrative for these years is not required as part of an application.

9. **I have the Budget Table set up with a Sub-Recipient and all of the expenses that fall under that on the same line. Then I wondered if I should include the Budget part of the Sub-recipient agreement showing how the money is spent under that particular subrecipient. If so, I'm not sure where that should be included in our submission.**

   On the 5 Year Financial Summary, I thought I would show it the same way, (with the Sub-Recipient line and associated expenses) but in our Operating Plan we have broken the expenses out in each category when showing the Center Financial Summary.

   Please refer to the 2016-NIST-MEP-01 FFO requirements outlined in Section IV.2.a.6.e. as to what is required regarding the budget table/narrative. In addition to this section, please refer to Section IV.2.a.7.c regarding what is required for letters of commitment support for Subrecipients. Applicants may, at their discretion, submit more than the required information and documentation as part of an MEP Center proposal.

10. **Would you please send us a sample SRA and TPC Table with in-kind and cash matched filled out?**

The SRA (Subrecipient Agreement) and TPC (Third-Party contributor) Table is not required as part of the submission of an MEP application. Please refer to Section IV Application and Submission Information for required information.

11. Do we have to fill out an SF424 for just Year 1 or all 5 Years? (Updated 2/12/16)

The applicant must submit one SF424 covering all 5 years.

For the SF424A, you will submit 1 SF424A covering all 5 Years. The budget should reflect anticipated expenses for all five (5) years of the project, considering all potential cost increases, including cost of living adjustments. Recipients must meet the minimum cost share and matching requirements set forth in this FFO. Please refer to Section III.2. of this FFO for the Cost Share and Matching Requirement over the life of the award. The budget should also include staff, travel and other costs associated with the NIST/MEP Kick-Off Conference and System-Wide meetings as described in Sections II.5 and II.6 of this FFO.

Please carefully follow the directions found at: http://www.grants.gov/web/grants/form-instructions/sf-424a-instructions.html when filling out this form.

The Grant Program Function or Activity on Line 1 under Column (a) should be entered as Manufacturing Extension Partnership. The Catalog of Federal Domestic Assistance Number on Line 1 under Column (b) should be 11.611.

12. Was hoping that you could clarify for me whether work done by a company on a project they are paying an MEP to do can be counted as in-kind. The old document explicitly forbid this as in-kind contribution, is there somewhere in the new document where it is also prohibited that I just didn't see upon a first read?

For example - if I am doing a new product engineering project with Company A, they pay me $100K in fees that I spend on $100K worth of costs to service them ($100K in cash cost share). Now, what if they have an engineer totally devoted to working with the MEP team to create this product at a documented Company A salary of $80K? Can we count that $80K as in-kind cost share for this project?

In response to your first question and example, the value of services performed by personnel of an MEP client on a project for that MEP client do not constitute a third-party, non-federal cost share contribution to the MEP Center since the primary beneficiary of the services would be the MEP client. *See* 2 C.F.R. § 200.306 and 2 C.F.R. part 200, Subpart E, Cost Principles.

13. Is it possible for 3rd party contractors to contribute match dollars towards this grant?

As provided in Section IV.2.a.(7)e) of the FFO, contractors may not provide non-federal cost share for an MEP Center project.

14. **We have some questions about in kind vs cash matching and also about establishing an indirect rate.**

    Please provide your specific questions related to in-kind, cash and indirect cost rate in writing to mepffo@nist.gov. Note that MEP will respond to general inquiries, but will not respond to or provide feedback relative to questions about specific proposals.

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

    Please see the response to FAQ #8 in the Application and Submission Information Section.

16. **Will there be an opportunity for Centers to increase their level of funding if they are able to gain additional cost share that is allowable, allocable and reasonable to the activities of the Center? (Added 2/12/16)**

    Continued funding for the remaining years of the project will be awarded by NIST on a non-competitive basis, and may be adjusted higher or lower from year-to-year of the award, contingent upon satisfactory performance, continued relevance to the mission and priorities of the program, and the availability of funds. Continuation of an award to extend the period of performance and/or to increase or decrease funding is at the sole discretion of NIST.

17. **How do we present state funding, considering it may increase or decrease depending on the current budget situation? (Added 2/12/16)**

    Per the FFO, the applicant is required to meet the minimum cost share requirement for each year of the award. In this respect, an applicant/recipient has a responsibility and an obligation to fund any deficits in anticipated State or other contributions to an MEP Center project. The applicant must provide a letter of cost share commitment for each year of the proposed award.

18. **We are an existing MEP center that will become one of several subrecipients to another entity that will now be the awardee Center under our proposed FFO application. The MEP T&C 13.B. (3) says that UPI earned by a subrecipient must be remitted to the Center by the subrecipient, and must be accounted for and expended by the Center in accordance with the terms and conditions of the MEP award. Will the UPI need to be returned to the Center annually or can it be retained by the**

subrecipient and used to finance the non-federal share as long as it is accounted for and the Center obtains approval to carry the UPI forward? (Added 2/12/16)

Unexpended Program Income that is generated by the subrecipient may be retained by the subrecipient and used to finance the non-federal cost share. This UPI being carried forward will require prior written approval by the NIST Grants Officer. The UPI must also be clearly accounted for within the Center as well as the subrecipient accounting systems.

19. **Is match from an Subrecipient automatically considered in-kind even if it is coming from the state and client fee? (Added 2/25/16)**

    No, the type of contribution from the Subrecipient depends on the nature of the relationship. Please refer to 2 C.F.R. Part 200, http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl for further information on subrecipients and cost share or matching.

G. EVALUATION CRITERIA

1. **When discussing "key personnel" in our project narrative—can we discuss key sub-recipient personnel in addition to personnel of the MEP Center itself? Or should it be limited to those for whom we provide resumes (which I gather is only allowed for direct employees of the MEP Center)? I am curious because you discussed on the webinar that evaluators will be looking for information about personnel important to operations and to working directly with manufacturers. (Added 2/12/16)**

   Yes, subrecipient relationships and subrecipient personnel may be discussed in the application.

2. **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. (Added 2/12/16)**

   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.

3. **Please elaborate on opportunities to re-align Center activities with State economic development strategies. (Added 2/12/16)**

   The applicant must respond as appropriate as to its strategies for aligning MEP Center activities with State economic development agendas.

4. **Does the size of the manufacturing establishment effect the dollars per manufacturer? Does it go by NAICS code? (Added 2/12/16)**

No, the dollars/SME are based on number of manufacturing establishments not based on their size. We used County Business Patterns Data.

5. **What is MEP's definition of Rural, Start-Up, Emerging and Very Small Manufacturers? Are the terms, Very Small, Emerging and Rural considered one "grouping" or individual categories? (Added 2/12/16)**

   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.

   The terms, Very Small, Emerging and Rural The applicant must conduct the appropriate market analysis and determine what make sense in regards to the MEP Center's attention to these categories.

6. **We are an existing MEP center that will become one of several subrecipients to another entity that will now be the awardee Center under our proposed FFO application. How do we develop the metrics for the brand new Center? Do we assume that the new Center will start with no activity in the pipeline for survey and thus will have 0 impact the first year or will the new Center be credited for activity that was submitted for survey by its subrecipients under their previous awards? (Added 2/12/16)**

   A proposing organization may wish to consider their past experience with measuring clients impacts and the extent to which that experience provides a basis for thinking about expected performance levels. It is up to the proposer to determine what they think is a reasonable level of performance as they scale up considering what information they have. As the FFO states, one part of the evaluation will assess the extent to which the applicant will use a systematic approach to measuring and managing performance including the: Quality and extent of the applicant's stated goals, milestones and outcomes described by operating year (year 1, year 2, etc.); applicant's utilization of client-based business results important to stakeholders in understanding program impact; and depth of the proposed

methodology for program management and internal evaluation likely to ensure effective operations and oversight for meeting program and service delivery objectives.

7. **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").

H. REVIEW AND SELECTION PROCESS

1. **When the competition is complete, who makes the final selection? (Added 2/12/16)**

   Please refer to Section V.2.b for the overall Review and Selection Process. In regards to who makes the final selection, per Section V.2.b.2, the Selecting Official will generally select and recommend the most meritorious application for an award based on the adjectival rankings and/or one or more of the six (6) selection factors described in Section V.3. of the corresponding FFO. The Selecting Official retains the discretion to select and recommend an application out of rank order (*i.e.*, from a lower adjectival category) based on one or more of the selection factors, or to select and recommend no applications for funding. The Selecting Official's recommendation to the Grants Officer shall set forth the bases for the selection decision.

   As part of the overall review and selection process, NIST reserves the right to request that applicants provide pre-award clarifications and/or to enter into pre-award negotiations relative to programmatic, financial or other aspects of an application, such as but not limited to the revision or removal of proposed budget costs, or the modification of proposed MEP Center activities, work plans or program goals and objectives. In this regard, NIST may request that applicants provide supplemental information required by the Agency prior to award. NIST also reserves the right to reject an application where information is uncovered that raises a reasonable doubt as to the responsibility of the applicant. The final approval of selected applications and issuance of awards will be by the NIST Grants Officer. The award decisions of the NIST Grants Officer are final.

I. ELIGIBILITY