

*Making an Impact on U.S. Manufacturing*

# NIST MEP Renewal Guidelines

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For NIST MEP Center Base Cooperative Agreements Competitively  
Awarded Under Multi-Year Funding Procedures

**March 2018**

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## Part I. Overview

These National Institute of Standards and Technology (NIST) Hollings Manufacturing Extension Partnership (MEP) Renewal Guidelines apply to the multi-year NIST MEP Center base cooperative agreements awarded by NIST pursuant to a competitive award process. These Renewal Guidelines supplement and should be read in conjunction with the NIST MEP General Terms and Conditions. As necessary, these Renewal Guidelines will be revised by NIST to reflect changes to the program requirements. Revisions to the Renewal Guidelines will be transmitted uniformly to Centers with sufficient lead-time to accommodate any changes. NIST MEP Centers should contact their NIST MEP Federal Program Officer (FPO), Regional Manager (RM), and NIST Grants Management Specialist (GMS) (collectively referred to as the “NIST MEP Regional Team”) for assistance, or with comments or questions.

Part I of these Renewal Guidelines provides an overview of the renewal of NIST MEP base awards.

Part II of these Renewal Guidelines discusses the format and required content for a Center’s renewal package, including information and documentation requirements for the NIST MEP project budget and supporting budget narrative, and is intended to assist Centers in ensuring that the NIST MEP project budget supports the Center’s project activities and performance outcomes. Centers are required to use the NIST MEP budget templates that have been approved by the Office of Management and Budget (OMB) under Control Number 0693-0032 when submitting these documents.

Appendix 1 provides guidelines for the preparation of a Center’s Operating Outcome Plan and is intended to assist Centers in translating the strategies and efforts detailed in their cooperative agreement proposal/scope of work to measurable operating year outcomes during the term of their NIST MEP cooperative agreement.

Appendix 2 includes references to information that might be helpful to centers submitting renewal documentation.

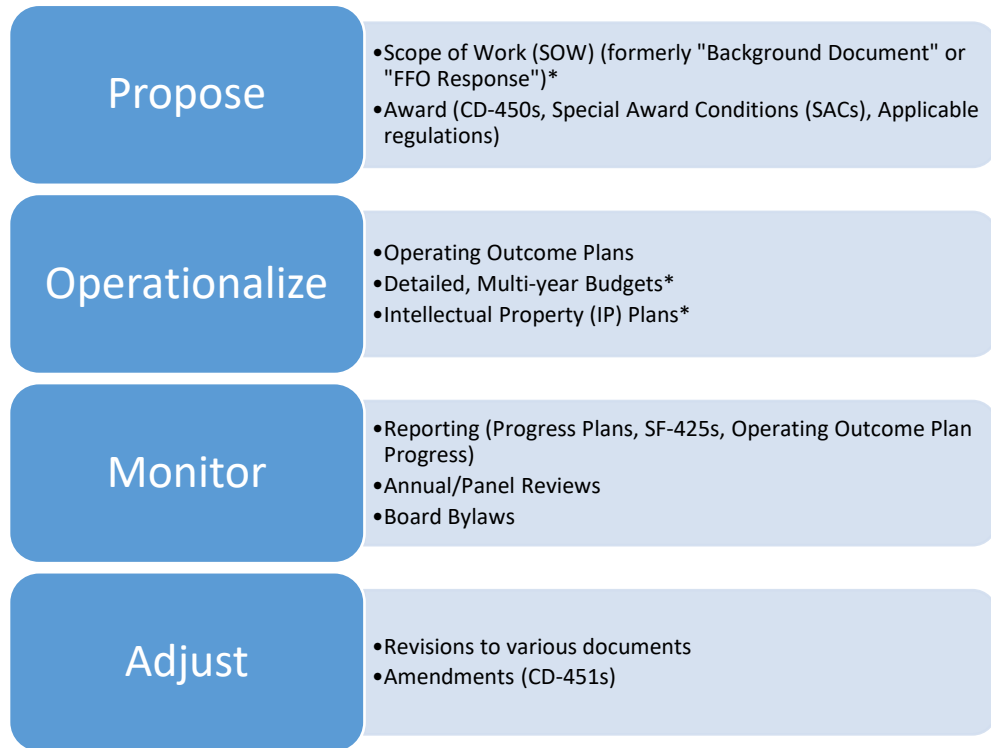
These Guidelines frequently refer to MEP’s Enterprise Information System (MEIS). MEIS is MEP’s integrated enterprise information system.

### **Multi-year Awards with Annual Funding**

The NIST MEP Center base cooperative agreements are for a five-year period of performance. However, multi-year awards are funded in yearly allotments, with annual funding contingent upon the continued availability of funds, satisfactory performance, and continued relevance of program objectives, and at the sole discretion of the U.S. Department of Commerce. In addition, funding for years four and five is contingent upon a positive panel evaluation conducted during the third year of the award (see Section 16 of the MEP General Terms and Conditions (2018)).

## Modular Approach to Cooperative Agreement Management

NIST MEP uses a modular approach for cooperative agreement management. Documents are requested from the Centers which are then leveraged at various times to guide the Center in its execution of the MEP award.



The first step is the Center's submission of a proposal in response to the Announcement or Notice of Federal Funding Opportunity issued by NIST. NIST then incorporates the proposal (Scope of Work) and Five-year Budget Summary into the funding instrument issued to the Centers.

After the initial award is made, Centers provide detailed Operating Outcome Plans and multi-year budgets for the initial three years of the award, and an intellectual property management plan (IP Plan) covering the life of the award. These documents supplement the Center's Scope of Work and Five-year Budget Summary. These documents serve as a Center's road map for the life of the five-year award. As part of the panel evaluation in the third year of the award, Centers provide draft documents for review. After the evaluation, Centers will provide revised documents for the remaining two years of the award. Specific instructions will be provided to the Centers prior to the start of the panel evaluation process.

Through ongoing collaboration with the Center's assigned NIST MEP Regional Team, the Center uses the Scope of Work, multi-year budgets, IP Plan, Board Bylaws and Operating Outcome Plan to execute the cooperative agreement. These "living documents" should be periodically reviewed and, if appropriate, revised by the Center.

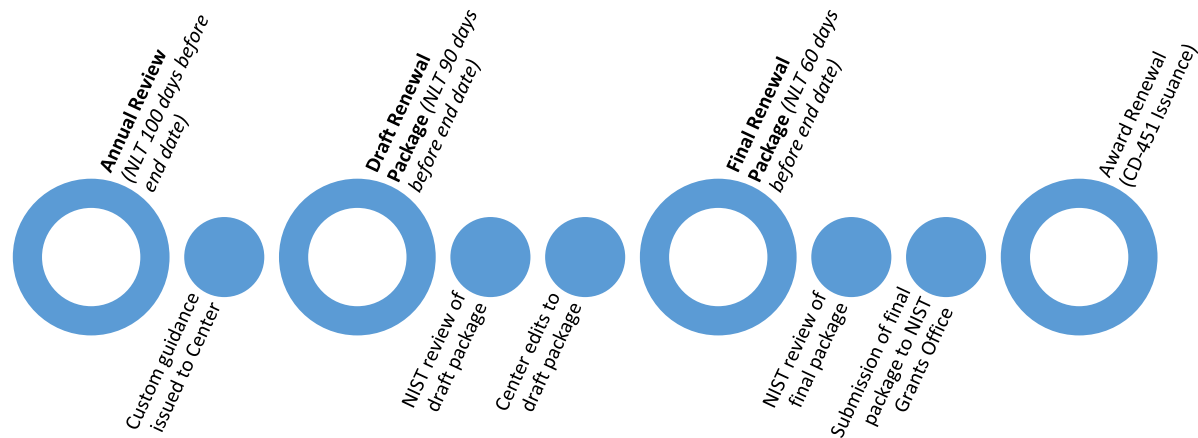
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<sup>1</sup> \* indicates Required Plan as referenced in the NIST MEP General Terms and Conditions

Per the NIST MEP General Terms and Conditions, the Center’s Scope of Work, IP Plan, and multi-year budgets are collectively referred to as the “Required Plans.” Revisions to these documents must be reviewed first by the NIST MEP Regional Team, and then approved by the NIST Grants Officer. Upon approval by the NIST Grants Officer, the documents are incorporated by reference into the terms and conditions of the Center’s cooperative agreement. Operating Outcome Plans and Board Bylaws are not part of the Required Plans and, therefore, do not require approval by the NIST Grants Officer when revised.

## Part II. Renewal Packages

### Timeline and Document Submission Procedures



NIST MEP Regional Teams assess the Required Plans and other supporting documents annually during scheduled reviews or evaluations. After the review or evaluation, Centers receive custom renewal instructions via email from the NIST MEP Regional Team. Centers develop documentation in accordance with the instructions provided. Revised Operating Outcome Plans should be submitted via MEIS. All other documents in the draft renewal packages must be sent to the NIST MEP Regional Team via email to [centerop@nist.gov](mailto:centerop@nist.gov) **no later than ninety (90) days** before end date of the current cooperative agreement, copying their assigned NIST MEP Regional Team members on the email submission. Final versions, which address comments/issues raised by the NIST MEP Regional Team, are due **no later than sixty (60) days** before the end date of the current cooperative agreement.

Templates for use in developing the submissions are available from your assigned FPO or on the MEIS dashboard. **All Centers are required to use the OMB-approved, NIST MEP templates** when submitting their Five-Year Budget Summary Tables and Single-Year Budget Workbooks. Budgets that are not in the required format will be returned without review.

Aside from standard Federal forms, submissions should be in MS Word and MS Excel formats (do not submit PDFs). As a reminder, original signed versions of documents are **not** required to be mailed to NIST. Electronic scans of signed documents or digitally signed documents are sufficient.

Submissions **must** include:

- Standard form (SF)-424B - Assurances – Non-Construction Programs
- CD-511 - Certification Regarding Lobbying

**If applicable**, as identified during the review or evaluation, the following documents should also be submitted:

- FAM 2015-1 Certifications Regarding Federal Felony and Federal Criminal Tax Convictions, Unpaid Federal Tax Assessments and Delinquent Federal Tax Returns
- Revised Scope of Work (formerly “Background Document” or “FFO Response”) – REDACT ORIGINAL BUDGET TABLES, if present
- Revised Operating Outcome Plan (via MEIS)
- Revised Five-Year Budget Summary Table (in lieu of revised, prior year SF-424As)
- Revised detailed budget documentation– Centers should submit one Single-Year Budget Workbook for each year requiring revision as identified in the Annual Review or Evaluation report). Do not copy and paste budget tables into any of the other documents. Each workbook includes the following tabs:
  - Budget Summary Table
  - Revenue Description
  - Expense Tables and Justification
  - Subrecipient/Third Party In-Kind Contribution Table & Justification

**Please note** that revised detailed budget workbooks are **not** required for prior years except in specific cases (e.g. if the change impacts the sources of match under 2 C.F.R. 200.308(c)(1)(VII)). Centers should contact their NIST MEP Regional Team if they are unsure if detailed budget workbooks for prior years are required for revisions.

- Draft Subrecipient agreements with valuations of \$150,000 or more with associated detailed budget tables for the renewal period (multi-year agreements are acceptable)
- Draft Third Party In-Kind Contributor (TPC) agreements with valuations of \$150,000 or more with associated detailed budget tables for the renewal period (multi-year agreements are acceptable)
- Draft proposed contracts with budgeted amounts of \$150,000 or more for the renewal period (multi-year agreements are acceptable)
- Indirect Cost Rate Documentation (proposal or approved agreement) for the renewal period
- Intellectual Property Plan(s) (via MEIS)
- Board Bylaws (via MEIS)<sup>2</sup>

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<sup>2</sup> Per Section 6 of the NIST MEP General Terms and Conditions (2018), MEP Center Oversight Boards must “...establish and submit to the MEP Director by-laws to govern the operation of the Board. See 15 U.S.C. 278k(k)(4).”

## Revised Required Plans: Scope of Work

In preparation for award renewals, Centers should review the latest NIST-approved scope of work (SOW) (formerly “Background Document” or “FFO Response”) to determine if significant changes have occurred. This section of the Renewal Guidelines describes what NIST MEP will assess with regard to the SOW.

When submitting SOW revisions, Centers should be sure to **remove** the budget information that was included in the original Proposal/Announcement and Notice of Funding Opportunity response. Specifically, detailed salary information and other **personally identifiable information should be redacted from original submissions**. This information is collected in the detailed budget tables which are not uploaded to MEIS.

### Center Strategy

NIST MEP will regularly assess the Center’s strategy to deliver services that meet manufacturers’ needs, generate client impacts (e.g., cost savings, increased sales, etc.), and support a strong manufacturing ecosystem. NIST MEP will regularly assess the quality with which the Center: incorporates the market analysis described below to inform strategies, products and services; defines a strategy for delivering services that balances market penetration with impact and revenue generation, addressing the needs of manufacturers, with an emphasis on the small and medium-sized manufacturers; defines the Center’s existing and/or proposed roles and relationships with other entities in the State’s manufacturing ecosystem, including State, regional, and local agencies, economic development organizations and educational institutions such as universities and community or technical colleges, industry associations, and other appropriate entities; plans to engage with other entities in Statewide and/or regional advanced manufacturing initiatives; and supports achievements of the MEP mission and objectives while also satisfying the interests of other stakeholders, investors, and partners.

### Market Understanding

NIST MEP will regularly assess the Center’s strategy 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. NIST MEP will regularly evaluate the approach for regularly updating this understanding through the five years of the award. The following sub-topics will be evaluated:

**Market Segmentation.** NIST MEP will regularly assess the quality and extent of the Center’s market segmentation strategy including: Segmentation of company size, geography, and industry priorities including some consideration of rural, start-up (a manufacturing establishment that has been in operation for five years or less) and/or very small manufacturers as appropriate to the state; alignment with state and/or regional initiatives; and other important factors identified by the Center.

**Needs Identification and Product/Service Offerings.** NIST MEP will regularly assess the quality and extent of the Center’s needs identification and products and services for both sales growth and operational improvement in response to the Center’s market segmentation and understanding included in the SOW. Of particular interest is how the Center would leverage new

manufacturing technologies, techniques and processes usable by small and medium-sized manufacturers. NIST MEP will also regularly consider how a Center's approach will support a job-driven training agenda with manufacturing clients.

### **Business Model**

NIST MEP will regularly assess the quality, feasibility and efficacy and efficiency of the Center's business model as provided in the SOW and whether the business model is resulting in the Center's ability to successfully execute the strategy included in the SOW, based on its understanding of the market. The following sub-topics will be evaluated:

**Outreach and Service Delivery to the Market.** NIST MEP will regularly assess the extent to which the Center is organized to: identify, reach and provide proposed services to key market segments and individual manufacturers described above; work with a manufacturer's leadership in strategic discussions related to new technologies, new products and new markets; and leverage the Center's past experience in working with small and medium-sized manufacturers as a basis for future programmatic success.

**Partnership Leverage and Linkages.** NIST MEP will regularly assess the extent to which the Center makes effective use of resources or partnerships with third parties such as industry, universities, community/technical colleges, nonprofit economic development organizations, and Federal, State and Local Government Agencies in the Center's business model.

**Performance Measurement and Management.** NIST MEP will regularly assess the extent to which the Center uses a systematic approach to measuring and managing performance including the: quality and extent of the Center's stated goals, milestones and outcomes described by operating year; the Center's utilization of client-based business results important to stakeholders in understanding program impact; and whether the Center's methodology for program management and internal evaluation ensures effective operations and oversight for meeting program and service delivery objectives.

### **Qualifications of the Center**

NIST MEP will regularly assess the ability of the key personnel, the Center's management structure and Oversight Board and governance to deliver the program and services envisioned for the Center. NIST MEP will consider the following topics when evaluating the qualifications of the Center and of program management:

**Key Personnel, Organizational Structure and Management.** NIST MEP will regularly assess the extent to which: key personnel have the appropriate experience and education in manufacturing, outreach, program management and partnership development to support achievements of the MEP mission and objectives; the Center's management structure and organizational roles are aligned to plan, direct, monitor, organize and control the monetary resources of the Center to achieve its business objectives; the Center's organizational structure flows logically from the specified approach to the market and products and service offerings; and the



Center's field staff structure sufficiently supports the geographic concentrations and industry targets for the region.

**Oversight Boards.** NIST MEP will regularly assess the extent to which: the Center's Oversight Board and its operations are complete, appropriate and meet the program's objectives, or, if such an Oversight Board does not exist or does not meet these requirements, the extent to which the plan for developing and implementing such an Oversight is feasible; the extent to which the Center's Oversight Board and governance is engaged with overseeing and guiding the Center and supports its own development through a schedule of regular meetings, and processes ensuring Oversight Board involvement in strategic planning, recruitment, selection and retention of board members, board assessment practices and board development initiatives.

### **Revised Required Plans: Intellectual Property Plan**

In accordance with 15 U.S.C. 278k(f)(4), each Center must submit an intellectual property plan (IP Plan) that provides for the allocation of legal rights associated with any intellectual property that may result from the activities of the Center or its subrecipients pursuant to this MEP Center Cooperative Agreement. As applicable, the Center's IP Plan must address the legal rights associated with any intellectual property that may be developed directly by the Center, including by its subrecipients, or that may be developed by the Center in collaboration with partners of the Center or its subrecipients.

The IP Plan must also address intellectual property that may be developed as part of a Center's, Center contractor's, subrecipient or subrecipient contractor's engagement with its manufacturing clients (e.g., new manufacturing processes or outputs). For this purpose, intellectual property includes: (i) patents and patentable processes or products; (ii) copyrights and copyrightable works; (iii) trademarks, including service marks, and trademarkable words, phrases, symbols or designs; and (iv) trade secrets and confidential business or financial information.

Legal rights associated with intellectual property may be allocated as deemed appropriate by an MEP Center and its subrecipients in the conduct of its respective businesses, and relative to its relationships to client companies and partner organizations, subject to the intellectual property rules set forth in 2 C.F.R. Part 200.315 and in Section C.03. of the Department of Commerce Financial Assistance General Terms and Conditions (2017).

The IP Plan should cover all years of the current cooperative agreement and must be updated, as necessary, by the MEP Center during the term of the cooperative agreement. NIST MEP will review the IP Plan and may provide comments on its suitability as it pertains to the Center's execution of the cooperative agreement.

Below is a sample format for an MEP Center IP Plan. **This format is not mandatory**, and a Center's IP Plan may take any form so long as it meets the requirements of this document.

## Sample IP Plan

### **I. Introduction**

[Summarizes the activities of the Center as they pertain to the direct development of intellectual property and/or to the collaborative development or access to intellectual property.]

### **II. Types of Intellectual Property & Legal Rights**

[This section should identify the forms of intellectual property and the ownership of such intellectual property expected to result from the Center's performance of the MEP Center cooperative agreement. This section should also discuss the allocation of any legal rights associated with such intellectual property.]

### **III. Processes for Protecting IP Rights**

[This section should discuss the Center's protocols for protecting (e.g., filing of patents, copyrights, trademarks, etc.) intellectual property developed directly by the Center, as well as the use and safeguarding of the intellectual property, including trade secrets and confidential information, of the Center's manufacturing clients.]

## **Revised Required Plans: Multi-Year Budgets**

### **Section A. Overview and Instructions**

The Center should work closely with its assigned NIST MEP Regional Team to determine the extent to which multi-year budgets must be developed and submitted. In general, the Announcement and Notice of Funding Opportunity under which the Center Recipient was selected required budget detail for each of the five years with a higher level of granularity provided for Year 1. Subsequently, detailed budgets for Years 2 and 3 are submitted to NIST in response to a SAC for incorporation into the award. The goal for this section of the Renewal Guidelines is to assist the Center in the following:

1. Affirm that the approved, detailed budget(s) remain consistent with the approved Scope of Work; and
2. Revise granular project budgets following the guidelines below.

The financial portion of the renewal package, when completed, will include, if applicable, a revised Five-Year Budget Summary table and detailed budget workbooks, as applicable. Centers are required to use the MS Excel templates provided by NIST MEP to complete the budget tables.

Each Single-Year Budget Workbook shall consist of:

- Budget Summary Table
- Revenue Description
- Expense Tables and Justification
- Subaward/Third Party In-Kind Contribution Table & Justification, if applicable

Budget Workbooks should be submitted as separate files. Do not copy and paste tables from Budget Workbooks into other documents. Do not insert other documents into the Budget Workbooks.

## Section B. Single-Year Budget Summary Table

The Center's proposed budget for the funding period is divided into two sections:

1. **Revenue Federal/Non-Federal** Sources of Funds (Federal, Non-Federal Cash and Non-Federal In-Kind); and
2. **Expenses/Uses of Funds** both Federal and Non-Federal.

The **Federal/Non-Federal** Sources of Funds section should list all sources of funds being committed to the NIST MEP project. Figures should correspond to amounts listed in the Five-Year Budget Summary Table, and should be rounded to the nearest dollar. Potential funding sources include the following:

- NIST MEP (Federal Funding);
- NIST MEP Unexpended Federal Funds (UFF)<sup>3</sup>;
- Cash and In-Kind Contributions by Recipients;
- State Funds;
- Local Funds;
- Project/Services Fees (Program Income Projected);
- Anticipated Unexpended Program Income (UPI) from Prior Operating Year;
- Third Party Contributions In-Kind and/or Subrecipient Contributions; and
- Other Sources of Non-Federal Cost Share.

In January 2017, the American Innovation and Competitiveness Act reduced the minimum non-Federal cost-sharing ratio to at least 50 percent of the total project cost for each year of the award (see 15 U.S.C.278k(e)(2)). Regardless of the minimum cost sharing requirement, per 2 C.F.R. Part 200.400(g), Centers "... may not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award." As such, Centers are required to report any program income generated as a result of the MEP award even if it causes the Center to exceed the required cost sharing ratio. See also 2 C.F.R. Part 200.307 for more information.

The **Expenses/Use of Funds** section should list the expense categories of the Center. Figures should correspond to amounts listed in the Five-Year Budget Summary Table, and should be rounded to the nearest dollar. All budgets should identify estimated project expenses and associated activities.

Subaward costs are to be captured in total within the "Other" line as totals for Subrecipient Agreements (SRA). Do not spread Subrecipient costs throughout the Center's budget. Per the NIST MEP General Terms and Conditions, Centers must submit SRA agreements for subawards that are valued at \$150,000 or more for any operating year. Each SRA above this threshold must contain a budget detailing the activities to be completed and their associated costs. Whenever possible, SRA budgets should also use the NIST MEP budget templates. If the NIST MEP format is not used, the document submitted must present the level of detail required for NIST to determine the allowability, allocability, and reasonableness of proposed budgets. Note that the review of subawards is necessary for verifying estimated costs and proposed activities and ensuring compliance with the terms and conditions of the award. NIST will not review the agreements for legal sufficiency. As

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<sup>3</sup> Note that carrying forward UFF above base will impact Center's CARD score

such, Centers will receive an acknowledgement letter noting the agreement's incorporation into the award instead of a complete award amendment.

Third Party In-Kind Contributor (TPC) donations should be spread throughout the budget placed on the appropriate expense line in the in-kind column based on the type of expense being covered. An associated TPC agreement for contributions of \$150,000 or more for an operating year must be submitted that details the valuation of the TPC. TPC agreements must be signed by both parties to the agreement. As a reminder, in accordance with Section 10.A. of the MEP General Terms and Conditions (2018), donations are not allowed from contractors/vendors without prior written approval by the NIST Grants Officer.

Per Section 8.F. of the NIST MEP General Terms and Conditions (2018), "For subawards, contracts, and third party contributor agreements to or by the same (or affiliated) entity with a total combined value of \$150,000 or more, in lieu of submitting copies of each agreement, Centers may submit a summary list of the agreements that includes information sufficient for determining the reasonableness, allowability, and allocability of the agreements being funded under the award, and a copy of the fully executed agreement that causes total funding for a single entity to exceed the \$150,000 threshold for prior approval."

Any cost sharing must be in accordance with the Recipient's approved project budget and must adhere to the "cost sharing" provisions of 2 C.F.R. Part 200.306 and Section B.03. of the Department of Commerce Financial Assistance Standard Terms and Conditions (2017), as may be amended. Costs incurred as non-Federal cost share must be allocable to the project, and are subject to the same allowability requirements as Federally funded costs. The disallowance of any contributed costs as a result of an audit could result in a Recipient not meeting its required cost share under the cooperative agreement and a refund being due the Federal Government for the excess Federal share.

### **Section C. Revenue Description**

This section should include a detailed description of the funding sources identified in the Budget Summary Table that are being committed to the NIST MEP project. The description should highlight whether matching funds are tied to a specific program or activity required by outside funding entities. Sufficient detail must be provided so that NIST MEP and the NIST Grants Management Division (GMD) can make a preliminary determination on the allowability, allocability, and reasonableness of the proposed revenue sources. Significant changes to revenue sources from the prior year should be also be explained here.

Requests to carry forward Unexpended Federal Funds (UFF) and Unexpected Program Income (UPI) from prior years must also be included in this section. As stated in the NIST MEP General Terms and Conditions, Centers should use this section to address UFF being carried forward above base. The narrative should explain why the UFF was not expended in the previous operating year and detail how the UFF will be applied in the new operating year to expand the Center's normal scope of operation.

### **Section D. Budget Narrative and Justification**

This section should include a detailed budget narrative that directly corresponds to all funding amounts and cost categories contained in the Center’s Budget Summary Table. As with the Revenue Description, this section must provide sufficient detail so that NIST MEP and the NIST GMD can make a preliminary determination on the allowability, allocability, and reasonableness of the proposed costs. Refer to the detailed budget narrative guidance and examples included in the NIST MEP Single-Year Budget Workbook.

### **Section E. Subrecipient and Third Party In-Kind Contributions Table**

The summary table lists all subawards and third party in-kind contributions planned for each operating year, regardless of the dollar amount. Dollar amounts listed in the Subrecipient/Third Party In-Kind Contributions (SRA/TPC) Table must directly correspond to the “Expense” section of the budget and must be described in the budget narrative. Amounts must also match those listed in the actual Subrecipient and Third Party In-Kind Contributor agreements.

As a reminder, in accordance with 2 C.F.R. §§ 200.308(c)(1)(vi) and (vii), the addition of any proposed subaward(s) or third party contributions outside of the renewal process, regardless of the dollar amount, requires prior approval by NIST. Centers must submit, at a minimum, a revised SRA/TPC Table showing the new agreements for approval before finalizing any new agreements. For engagements with budgeted amounts of \$150,000 or more (combined Federal and non-Federal) during the Center’s current operating year, Centers must also submit copies of the actual agreements to NIST for incorporation into the cooperative agreement (see Section 8.E. of the NIST MEP General Terms and Conditions (2018)).

Centers should not include vendor contracts in this table. Contracts and vendor agreements are captured in the “Expenses” section of the budget narrative under “Contractual”. As a reminder, please note the differences between subawards, contracts, and vendors:

- **Subaward** means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award, including a portion of the scope of work or objectives. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program.
- **Contract** means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.
- **Vendor** is generally a dealer, distributor or other seller that provides, for example, supplies, expendable materials, or data processing services in support of the project activities.

After the table, Centers should provide a narrative identifying the nature of the contribution (e.g., office space, partner staff, etc.) and highlighting the purpose and nature of each SRA/TPC agreement. The narrative should include a description of the manner in which the cost share accomplishes programmatic objectives and will further the impact of the Federal investment made in the Center. Per Section 8.F. of the MEP General Terms and Conditions (2018), for SRAs and TPCs valued at \$150,000 or more in any operating year, the Center should submit as part of its renewal package a detailed explanation and supporting documentation pertaining to its valuation and allocation to the NIST MEP award of the SRA or TPC costs under applicable Federal cost principles.

## Appendix 1: Operating Outcome Plan Guidance

**Purpose:** This section should describe the Center’s current outcome goals in each category listed below, if relevant, for the initial three-year operating period (please note a Center does not have to be active in every element of the outcome statement, however, every outcome goal listed in this statement must be supported by the proposed budget and budget narrative.) While the tables below summarize the three-year operating period, the narrative should address proposed annual outcomes. As described earlier in these guidelines, as part of the panel evaluation in the third year of the award, Centers will provide draft documents for review. After the evaluation, Centers will provide revised documents for the remaining two years of the award. Specific instructions will be provided to the Centers prior to the start of the panel evaluation preparation.

**Format:** The response to each category should be in narrative form only (no tables unless indicated below) and should be limited to a half-page in description for each category. Do not include tables, charts, photos or graphs when recording responses to operating outcomes questions, unless specifically requested. Do not alter the tables included in this guidance. The tables reflect three-year goal summaries. If a Center finds it necessary to describe annual goals, this must be done in the written response. Response for each category must be submitted through MEIS and must be limited to 3,000 characters per response, including spaces and punctuation.

**Submission:** For new awards, Operating Outcome Plans should be submitted as part of the SAC removal package. Any requested changes to the operating outcomes outside of the SAC removal process should be made directly through the MEIS system. Changes made through MEIS will be routed through the Center’s NIST MEP Regional Team for review and incorporation into the project.

### Element I: Center Client Level Activities by Type of Company

The first categories are focused on identifying specific numeric goals planned for the next three years in terms of working with manufacturing establishments defined as very small manufacturers, rural manufacturers, and start-up/emerging small and mid-sized enterprises (SMEs), and other manufacturers, and working with client manufacturing establishments on transformational activities. Please use Table 1 to document client activity (a) and transformational clients (b).

#### **a) Client Activity levels with a Focus on very small, rural, and emerging small and mid-sized enterprises (SMEs), and other manufacturers**

Identify specific numeric goals planned for the next three years in terms of serving the following:

- (1) Very Small Manufacturers (establishments with fewer than 20 employees).
- (2) Rural Manufacturers (establishments located in a county not defined as part of a metropolitan area<sup>4</sup>).

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<sup>4</sup> 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.

- (3) Start-up/Emerging Small and Mid-Sized Enterprises (SMEs) (an establishment that has been in operation for five years or less<sup>5</sup>).
- (4) Other manufacturers not counted elsewhere that the Center expects to serve.

***b) Transformational Clients***

Identify specific numeric goals planned for the next three years in working with client manufacturing establishments on transformational activities as defined by the NIST MEP Program. In MEIS, Centers will select “Yes” or “No” in the Center Information File (CIF) to indicate if a project is considered to be an ongoing transformative relationship. If “Yes”, fill in the narrative to describe how the project supports the ongoing relationship. Overall efforts to work with clients at a transformation and coaching level across the Center’s project portfolio should be described in the Progress Plan<sup>6</sup> under the field “Transformation and Coaching.” **Yes:** Indicates the project is related to the establishment of a long-term, coaching relationship with a client that helps them transform.

**Table 1: Three Year Goals (Element I)**

Goal	Small Establishments (<20 employees)	Rural Establishments (Use USDA Definition)	Start-up Establishments	Transformational Clients (Use NIST MEP definition)	Other manufacturers	Total Number of Unique Manufacturers Served
<b>Over Three Years</b>	XX	XX	XX	XX	XX	XX

**Element II: Top and Bottom Line Growth**

Element II focuses on the relative distribution and emphasis that the center places on efforts across Top and Bottom Line Growth categories as well as Technology Acceleration and Center Initiatives, including Board development as described in this section.

***a) Engagement in Top Line Growth***

Identify the level of activity expected to occur in terms of “Top Line Growth” over the next three years as a percent of effort compared to “Bottom Line Growth” (together they should add to 100% of the Center’s direct client effort). (See Table 2 below.) Activities or projects focusing on “Top Line Growth” involve helping clients develop and grow their gross sales or revenues through developing new products, entering new markets, adopting new or improved processes, marketing strategies, or organizational changes. This would include projects expected to be in the following NIST MEP substance codes (areas of business that the project is designed to improve), as defined in the NIST MEP Reporting Guidelines:

- Growth Services Product Suite

<sup>5</sup> “Start-Up” and “Emerging” Manufacturers are considered to be synonymous terms.

<sup>6</sup> Semiannual Report/Progress Plan as referred to in the NIST MEP General Terms and Conditions and award documentation.

- Strategic Business Management/Planning Services Suite
- Sales/Marketing/Business Development Suite
- Technology Services/Product Development Suite
- Financial Analysis/Assistance Suite

Describe whether and how the Center is developing efforts, such as staff training, novel tools, or techniques, in the area of “Top Line Growth” that will be developed and deployed.

**b) Engagement in “Bottom Line Growth”**

Identify the level of activity expected to occur in terms of “Bottom Line Growth” over the next three years as a percent of effort compared to “Top Line Growth” (together they should add to 100% of the Center’s direct effort, as identified by project count). (See Table 2 below.) “Bottom Line Growth” focuses on projects and activities that typically involve lowering, improving, and controlling a client’s actual operating expenses including both the cost of goods sold (COGS) and general/ administrative expenses. Activities may involve projects expected to be in the following NIST MEP substance codes<sup>7</sup>:

- Lean Product Suite
- Quality Product Suite
- Engineering Services/Plant Layout
- Sustainability Services Suite
- Information Technology (IT) Services
- Workforce

Describe whether and how the Center is developing efforts, such as staff training, novel tools, or techniques, in the area of “Bottom Line Growth” that will be developed and deployed.

**Table 2: Three Year Goals (Element II)** (Please note these percentages are examples, not NIST goals or expectations)

Goal	Top-Line Growth	Bottom-Line Growth	Total Direct Client Effort
<b>Over Three Years</b>	60%	40%	100%

**c) Making New Technologies Available**

Identify all activities and goals the Center has for (1) making new technologies, products, and processes available to clients; and (2) working with potential providers of such technologies. Projects will typically focus on increasing the capability and capacity of small and mid-sized clients to absorb, deploy, and use new technologies to improve products and processes. This may involve projects focusing on transferring technologies from Federal labs, colleges/universities, or other for-profit or non-profit organizations to clients. This work may

<sup>7</sup> Refer to MEIS Reporting Guidelines for additional information on MEP Substance Codes



involve patenting, commercializing, prototyping, testing, and estimating the market/economic viability of new technologies, products, and processes.

**d) Other Key Initiatives of the Center**

Identify outcomes of the Center’s other key initiatives and activities during the three years, which are not identified elsewhere. The discussion should include the following:

- Summarize key initiatives including a description of the Center’s measurable, defined objectives for the three operating years. As a reminder, responses must be submitted as text. While bulleted lists are acceptable, tables are not.
- Describe proposed actions the Center will take to achieve its goals during the three operating years.
- Describe resources necessary to support service delivery including staff and third party partners.

**e) Oversight Board Development**

Identify the goals and outcomes of any oversight board development efforts anticipated during the three operating years. If necessary, discuss how the Center will work to comply with the NIST MEP General Terms and Conditions regarding Center Oversight Boards.

**Element III: Performance Measures**

Identify the level of outcome and output measures the Center seeks to achieve beyond the specific client counts enumerated above. These measures may include the performance measures used historically by NIST MEP as well as any specific metrics that the Center will use to guide its strategic goals. These measures should focus, at a minimum, on three areas: (1) economic impact; (2) market penetration; and (3) financial viability.

Other measures may include efficiency measures, customer/client satisfaction, employee satisfaction, or other measures the Center uses to guide the strategic direction and management of operations.

## Appendix 2: References

### General Federal Regulations

- [2 C.F.R. Part 200](#) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Council on Financial Assistance Reform (COFAR): <https://cfo.gov/cofar/>
- [2 C.F.R. Part 1326](#), Department of Commerce Implementation of OMB Guidance on Non-procurement Debarment and Suspension

### Department of Commerce Regulations and Policies

- [15 C.F.R. Part 28, Appendix A](#), Certification Regarding Lobbying
- [15 C.F.R. Part 29](#), Government-wide Requirements for Drug-Free Workplace (Financial Assistance)
- DOC Financial Assistance Standard Terms and Conditions (March 31, 2017), as may be amended:  
[http://www.osec.doc.gov/oam/grants\\_management/policy/documents/Department%20of%20Commerce%20Standard%20Terms%20&%20Conditions%2031%20March%202017.pdf](http://www.osec.doc.gov/oam/grants_management/policy/documents/Department%20of%20Commerce%20Standard%20Terms%20&%20Conditions%2031%20March%202017.pdf)
- DOC Grants Policy Internet Website:  
[http://www.osec.doc.gov/oam/grants\\_management/policy/default.htm](http://www.osec.doc.gov/oam/grants_management/policy/default.htm)

### NIST Statute and Regulations

- [15 U.S.C 278k](#), Hollings Manufacturing Extension Partnership
- [Pub. Law 114-329](#), American Innovation and Competitiveness Act
- [15 C.F.R. Part 290](#), Regional Centers for the Transfer of Manufacturing Technology

### NIST MEP Policies

- NIST MEP General Terms and Conditions (2018), as may be amended (latest version available on MEIS and MEP Connect)
- The Federal Register Notice and the accompanying Notice and Announcement of Federal Funding Opportunity (NOFO/FFO) applicable to the specific NIST MEP award.