



iHub²

INCLUSIVE INNOVATION HUBS

Diversity propels entrepreneurial dynamism



REQUEST FOR PROPOSALS

Application Period: 10/11/21 - 12/16/21

Table of Contents

About the Program.....	3
Introduction.....	3
Background.....	5
Purpose & Objectives	5
Award Information	7
Term of Award and Grant Agreement	7
Official Designation.....	7
Eligibility.....	8
Funding Categories.....	9
Allowable activities and expenditures.....	9
Unallowable activities and expenditures	9
Application Process	10
Application Submission.....	10
Application Criteria and Evaluation	10
Debriefings.....	11
RFP Schedule	11
Pre-bid Webinar	11
Reporting.....	12
Financial Report.....	13
Annual Report.....	13
Monitoring and Reviews.....	14
The Application.....	15
Required Content and Format.....	15
Narrative Requirements	16
1. Statement of Purpose.....	16
2. Physical Service Area & Boundaries.....	17
3. Partnerships.....	18
4. Coordinator	19
6. Goals/Benchmarks.....	20
7. Workforce Development	20

8. Business Creation	21
9. Regional Incentives and Supports.....	21
Budget	21

About the Program

Introduction

California is the 5th largest economy¹ in the world and is driven by the State's strong innovation and startup culture. It leads the nation in business starts,² innovation,³ and venture capital funding.⁴ With its heralded colleges, universities, labs and research institutions, California outspends all other states in research and development expenditures, accounting for over one-fifth of the total U.S. research and development spend⁵ and 28.5% of U.S. origin patents.⁶ California based firms are redefining how we live and are solving global challenges with innovative ideas, products and solutions - *the future happens here first*.⁷

California is one of the most racially and ethnically diverse places in the country with people of color accounting for 63% of the State's population and its strong immigrant diaspora representing 27%.⁸ Its distinct topography and climate allows for a great regional variation from the Central Valley's world producing farmlands to the Coastline's iconic beaches and popular tourist attractions.⁹

Yet, not all Californians live in communities with entrepreneurial ecosystems that give them the access that they need to research facilities, innovation accelerators, or investor networks to propel their ideas forward. Despite California's leadership and record success, it's soaring gains have not been equitably shared across all of California's diverse regions or people.

Across multiple metrics (per capita income, poverty rate, unemployment rate), California's success was not shared across the communities of the San Joaquin Valley, Imperial Valley, Central Coast, and North State regions. These regions were much slower to recover from the Great Recession in 2008. With the ongoing state of emergency and continued uncertainty

¹ Source: http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/

² Source: <https://www.bls.gov/web/cewbd.suppl.toc.htm>

³ Source: <https://www.bloomberg.com/news/articles/2020-06-22/california-massachusetts-rank-as-most-innovative-u-s-states>

⁴ Source: <https://www.pwc.com/us/en/industries/technology/assets/pwc-moneytree-2019-q4-final.pdf>

⁵ National Science Foundation, 2017 Survey: https://ncesdata.nsf.gov/sgrd/2017/html/sgrd2017_dst_01.html

⁶ USPTO Data, 2015: https://www.uspto.gov/web/offices/ac/ido/oeip/taf/cst_utl.htm

⁷ Governor Gavin Newsom, The View, Feb 10, 2020.

Source: Johnson, Hans, McGhee, Eric, and Mejia Cuellar, Marisol. Just the Facts: California's Population. Public Policy Institute of California. March 2021.

California's population: 39% of state residents are Latino, 37% are white, 15% are Asian American, 6% are African American, 3% are multiracial, and fewer than 1% are American Indian or Pacific Islander, according to the 2018 American Community Survey. According to 2018 estimates, 27% (or 10.6 million) of Californians are foreign born. The leading countries of origin for California immigrants are Mexico (4.0 million), the Philippines (848,000), China (798,000), Vietnam (515,000), India (532,000), El Salvador (462,000), and Korea (312,000).

<https://www.ppic.org/publication/californias-population/#:~:text=No%20race%20or%20ethnic%20group,the%202018%20American%20Community%20Survey>.

⁹ 2018 American Community Survey and

brought by the COVID-19 pandemic, these regions and communities are expected to experience ongoing economic distress without recovery support.

Disparate impacts on diverse founders across the State's regions also persist. During the Coronavirus pandemic (COVID-19), People of Color (POC) and especially Black and Latinx communities have been disproportionately impacted by the economic fallout.¹⁰ COVID-19 has further exacerbated the pre-existing barriers that POC founders, especially women of color, face in raising private capital to start and grow their businesses. According to Morgan Stanley, the median equity investment is almost \$1 million. However, women receive a median investment of \$213,000 and POC-owned businesses receive only \$185,000.¹¹ Yet studies have demonstrated that while women raise less than half as much as men, they earned 78 cents per dollar invested compared to 31 cents for men.¹² According to Morgan Stanley's Trillion Dollar Blindspot studies, a \$4.4 Trillion market inefficiency exists as a result of barriers for diverse and female founders - if these founders were instead supported properly so that their number of firms matched their percentage of the labor force and if their business revenues equaled traditional firms, women and minority owned businesses could account for \$6.8 trillion in gross receipts - which is three times their current output. Women drive 83% of all U.S. consumption, African-American consumer spending power is \$1.2 trillion, while in 2020 Latinx consumer spending was projected to reach \$1.7 trillion. Investors are essentially leaving trillions of dollars on the table.¹³

Business and job creation through accelerated commercialization of innovation is vital to California's long-term economic strength. Building regional clusters and local ecosystems to strengthen innovation assets across underserved communities and support diverse and women entrepreneurs can spur industries and startups and build a pipeline of scalable firms and well-paid jobs across the state. California needs to focus on reversing the inequities and barriers that exist and strengthen its innovation ecosystems by making them more inclusive to help ensure that *all* of California's entrepreneurs receive support to thrive. The economy needs all the state's regions' and all of its people's great ideas brought to market. By ensuring all entrepreneurs can access opportunity for research, development, technology transfer, commercialization, acceleration and investment, California will strengthen its economic and innovation leadership.

To further support an inclusive economy, the California Office of the Small Business Advocate (CalOSBA), operating within the Governor's Office of Business and Economic Development (GO-Biz), is launching the Inclusive Innovation Program, or iHub².

¹⁰ <https://www.wsj.com/articles/lockdowns-hit-minority-businesses-11592167529>

¹¹ Morgan Stanley 2018 and 2019 studies on the trillion dollar blindspot:
<https://www.morganstanley.com/ideas/trillion-dollar-blind-spot-infographic>

¹² Boston Consulting Group 2018

¹³ Morgan Stanley. Beyond the Opportunity Gap: Why VCs Aren't Investing in Diverse Entrepreneurs, How it's Hurting their Returns, and What to Do About It. October 2019. And Growing Market Investors are Missing 2018.

Background

The California Innovation Hub program (iHub) was signed into law in 2013. The program was released January 7, 2013 and launched in 2014 with fourteen iHubs designated to improve the state's national and global competitiveness by stimulating partnerships, economic development, and job creation around specific research clusters throughout the state. The innovation hub program operated through a cooperative agreement between GO-Biz with geographically distinct regions within California. Designated innovation hubs represented an independent partnership between local government entities, public universities, research institutions, accelerators, incubators, venture capital networks, and economic development organizations. The program remained an unfunded mandate without strong technical assistance support and engagement, yet still realized successes building and sustaining local partnerships, strengthening local accelerators, leveraging state designation for public and private grant funding. In 2018-2019, GO-Biz and subsequently CalOSBA utilized the iHub network to implement a \$230,000 CASCADE¹⁴ Innovation Voucher Program in three rounds of funding to bolster overall supply chain resilience by enhancing the innovation, commercialization, and technology transfer capabilities of eligible businesses concerns affected by changes in defense spending. The funding and outcomes demonstrated that iHubs could provide a statewide network for acceleration to deploy economic priorities and could be positioned with state assistance to mobilize the innovation community to respond to opportunities. As a result of the funding, 34 eligible business concerns received innovation vouchers ranging from \$5,000 to \$18,000 in the sectors of chemical sensors, biogas energy, water/wastewater treatment, medical supplies, renewable energy, cybersecurity applications and more.

Building on the strengths of the clustered regional model, CalOSBA is launching the California ***Inclusive*** Innovation Hub program (iHub²) with a new focus on diversity, equity and inclusion. The iHub² program will accelerate technology and science-based firms in key industry areas with a strong outreach focus on diverse founders, including women and people of color, and on underserved geographies and regions.

Purpose & Objectives

iHub² is launching to spur business and job creation through rapid technology commercialization across the state. Innovation and tech-driven entrepreneurial activity coupled with venture investment accelerates startups and scalability, which leads to job and wealth creation that contribute to the state's economic strength.

iHub² is designed to incentivize and strengthen inclusive innovation ecosystems for California's diverse entrepreneurs and geographies to better access opportunity. Proposed iHubs² that

¹⁴ In July 2017, the State of California received a \$2.9 million grant from the U.S. Department of Defense Office of Economic Adjustment (DoD/OEA) to support the California Advanced Supply Chain Analysis and Diversification Effort or CASCADE.

emphasize underserved regions or diverse founders will be prioritized to help the state address the market inefficiencies and close opportunity gaps to ensure California is maximizing growth potential across all of its startups regardless of zip code, race or gender.

iHub² will encourage regions to build upon their existing or emerging innovation resources and local industry concentrations to create activity hubs, promote technology transfer and assist nascent companies with layered support and partnerships. iHub² will emphasize connectivity and collaboration across regional innovation assets - linking academic and research institutions to surrounding cities, trained skilled workforces to industry, and researchers and entrepreneurs to local networks and communities for support.

Additionally, iHub² will serve as a bridge between local innovation ecosystems and state technical assistance, resources, and networks to support the success of the program. CalOSBA as the iHub² program administrator on behalf of GO-Biz will convene to foster collaboration and bring key, aligned networks to the iHubs² including universities, colleges, governments, labs and research institutions, technical assistance providers, incubators, accelerators, industry leaders, investors, and financial institutions. CalOSBA will also provide direct technical assistance to better position iHubs² to leverage state and federal resources, including support through the state supported network of small business centers.¹⁵ CalOSBA will actively promote entrepreneurial opportunities through iHubs² and raise the visibility of these innovation centers for businesses and other ecosystem players from outside the regions, state and nation.

Applicants must demonstrate the capacity to produce strategic plans and programming to increase inclusive technology commercialization, attract and raise private and public investments to support diverse entrepreneurs, especially in regions of the state that have been underserved by the venture community and build effective partnerships with diverse stakeholders who will play key roles in driving an inclusive economic agenda and augment innovation ecosystem in the region. Plans should clearly demonstrate a viable path to bringing ideas to implementation which includes a detailed process for collaborative stakeholder engagement and fundraising strategy to sustain the iHubs² programming beyond the grant award. Additionally, plans should demonstrate the ability to grow small businesses and startups founded by diverse entrepreneurs with the goal of hiring local talent and increasing good quality job opportunities in low-wealth and rural areas.

iHub² Goals:

- Build an equitable and inclusive innovation and entrepreneurial ecosystem in underserved regions of the state focused on diversity, equity, and inclusion

¹⁵ TAEP, Technical Assistance Expansion Program and CIP, Capital Infusion Program, provides \$20 million of annual funding combined to the network of small business technical assistance centers. Centers can be found at business.ca.gov/centers and include the SBDCs, WBCs, MBDA Centers, VBOCs, MEPs, PTACs and other nonprofit technical assistance providers and similar programs.

- Drive inclusive economic growth and increase opportunities for emerging industries focused on the growth of green industries and health sector jobs
- Close the private investment gaps when it comes to raising seed capital for research and development for diverse founders by leveraging the iHubs2 ecosystem which will include strategic investment partners
- Grow the number of small businesses and innovation startups using technology as a tool to solve industry problems in a specific region
- Help accelerate an inclusive and just transition to clean energy and renewable energy, clean technology, and clean agriculture with a focus on diverse founders
- Build a strong infrastructure for the commercialization of new and innovative products in the state of California developed by diverse founders
- Increase the number of social enterprises in the small businesses and startups ecosystem focused on producing positive environmental and social impacts and bringing the most innovative solutions to scale

Award Information

CalOSBA within GO-Biz will designate and award a total of ten (10) proposals to serve as California's iHubs² to incubate and/or accelerate technology and science-based firms in underserved regions and communities, including women and people of color. The official designation as an iHub² will be a 5-year agreement with the State of California.

CalOSBA will award each designated iHub² \$250,000 to build and expand programs during the first year of operation. These financial one-year awards for iHub will total \$2.5 Million.

Term of Award and Grant Agreement

The designated iHub² will be awarded \$250,000 to be spent down within one budgeted performance year (April 1, 2022 through March 31, 2023). The iHub² designation and state engagement will continue thereafter for a total period of 5-years (April 1, 2022 – March 31, 2028).

During this five- year period, the iHub² will be required to abide by all the obligations as stipulated within this application and the signed Grant Agreement. This includes active participation in the statewide iHub² network and submittal of reports to CalOSBA identifying progress made toward stated goals. This report will be used to evaluate the effectiveness of the iHub² as well as to identify areas for improvement. The exact reporting requirements will be finalized by an agreement between the iHub² with its designed iHub² Coordinator and CalOSBA/GO-Biz.

Official Designation

Prior to official designation as a California iHub², the applicant must self-certify that:

- It will comply with the State's non-discrimination policy.

- It and its principals are current in payment of all state and local taxes owed unless they have entered into a workout agreement which was deemed satisfactory by the respective taxing authority and are in full compliance with the terms thereof.

CalOSBA will grant final designation through a Grant Agreement after the applicant completes the tasks identified in its conditional designation notice. The Grant Agreement stands as the contract document between CalOSBA/GO-Biz and the partners comprising the iHub² and does not in any way infringe upon the day-to-day activities or the financial independence of the iHub². It will embody the goals identified and commitments made in the application, establish mutually agreed-upon performance benchmarks, and define mandatory quarterly and annual reporting requirements. It will specify the effective date of designation, the expiration date of the iHub², and additional requirements. The applicant's compliance with the Grant Agreement shall be the basis for its performance in CalOSBA/GO-Biz's audits, which will determine its continuation as an iHub².

For an iHub previously designated by GO-Biz to be designated as an iHub² by the Office, the designation is required to be newly awarded through this current award process.

Eligibility

Eligible host organizations include:

- Fully accredited institutions of higher education such as community colleges, public and private universities and state colleges;
- Private nonprofit corporations engaged in economic development activities
- Local counties or municipalities with pre-existing community/economic development departments and/or programs; and,
- Public economic development institutions such as workforce investment boards and economic development corporations.

Proposals will only be accepted from organizations that:

- Are qualified to conduct business in the State of California;
- Are in good standing with the Secretary of State;
- Have not been debarred or had contracts terminated by the federal government, State of California or local government;
- Have at least twelve (12) months of current direct and/or related business technical assistance experience;
- Are NOT for profit; and,
- Further, it is highly recommended that host organizations and partnerships developed fully represent and demonstrably serve the targeted underserved regions and entrepreneurs to meet inclusivity goals.
- Must demonstrate a strong record of serving and supporting diverse entrepreneurs in underserved areas.

- Must demonstrate a deep commitment to diversity, equity, and inclusion and use grant funding to develop an innovative and inclusive entrepreneurial ecosystem in underserved region(s).

Funding Categories

Allowable activities and expenditures

- Consulting, Training, Program development: Personnel time and effort and/or contracts to develop, expand and implement innovation and entrepreneurship programs and services to underserved entrepreneurs, including advising, training, commercialization activities, product testing, matchmaking, product development resources, market research, workforce development, etc.
- Marketing and outreach to entrepreneurs and key support networks: This may include personnel time and contracts to conduct targeted outreach to underserved entrepreneurs such as print media (i.e., flyers, brochures, and pull-up banners), digital media (i.e. social media ads), and purchases/subscriptions to data, marketing services and other technology tools to support outreach and expansion activities (i.e., MailChimp, Constant Contact, Hootsuite, etc.). This may also include outreach activities to brand, attract and support necessary networking activities in the ecosystem. We encourage the use of partnerships and research-driven, proven high-impact approaches for any large marketing or outreach expenditures.
- Research includes personnel time and contracts to assess small business and startup service needs in a designated iHub² region or to research and develop a pilot project or other planned service. Research may not include the cost of research tools, software, or reports for individual startups and advisory services. We encourage the use of partnerships and existing best practices for any large research expenditures.

An unlimited portion of the grant award may be used for consulting, training, and program development. However, marketing and research costs (labor and non-labor) are limited to a maximum of 10%, or \$25,000, of the total annual grant award.

Unallowable activities and expenditures

- Administrative Salary or contract bonuses
- Rent and other fixed overhead expenses
- Travel expenses for per diem, lodging, meals or subsistence expenses
- Travel expenses for transportation (i.e., mileage, car rental, rail or air)
- Food and beverage
- Supplies not related to consulting, training, program development, marketing, or research
- Indirect or overhead costs (The grant agreements in the iHub² Program are not subject to the model agreement provisions developed pursuant to Chapter 14.27 (commencing with Section 67325) of Part 40 of Division 5 of Title 3 of the Education Code)

- Other items that are banned by the State of California, GO-Biz or CalOSBA as deemed inappropriate or inconsistent with statutory or programmatic requirements

All costs incurred under the Program must meet the tests of reasonableness, allowability and allocability in accordance with the Program's allowable costs and grant agreement terms. All costs charged under the Program are subject to audit. Recipients are responsible for ensuring proper management and financial accountability of state funds to preclude future cost disallowances.

Application Process

Application Submission

All applications shall be submitted via email to osba@gobiz.ca.gov by 5:00 PM PST on or before **December 16, 2021**. An email will be returned to you to verify the receipt of your application with CalOSBA timestamp. *Applicants are encouraged to submit 48 hours early to ensure no errors in submission as late applicants will not be accepted under any circumstances, without exception.*

All applications must be submitted by the deadline, December 16, by 5:00 PM PST. There are no exceptions or extensions of this deadline. Any technology challenges or inability of an applicant to submit an application by the deadline for any reason shall not be grounds for an extension of the deadline. Applicants are encouraged to submit their application 48 hours before the deadline in the event technical assistance is required. For help applying, please send an email to osba@gobiz.ca.gov and copy Jean Coleman, Program Manager, at jean.coleman@gobiz.ca.gov with the subject line: iHubs² Grant Application Help.

Application Criteria and Evaluation

CalOSBA staff will confirm eligibility and certify each qualifying iHub² for review. CalOSBA, and GO-Biz staff as necessary, will comprise a review committee that will review and evaluate each qualifying iHub² proposal for final consideration.

The iHub² review committee will make a recommendation to the CalOSBA Director. The recommendation will be based on consensus reached after each application is thoroughly reviewed, evaluated, and discussed by the review committee. The CalOSBA Director will take the recommendations and input of the review committee into consideration along with agency's mission, program priorities to make the final designations and funding decisions.

Grounds for Rejection

CalOSBA's determination as to eligibility for grant funding, or the amount of grant funding awarded, is final and not subject to appeal or protest. CalOSBA within GO-Biz reserves the right to waive any immaterial deviation in a proposal; however, the waiver of an immaterial deviation in a proposal shall in no way modify the document or excuse the applicant from full compliance with the proposal requirements after the applicant is awarded the agreement.

A proposal shall be rejected if:

- The proposal package is received after the exact time and date set for receipt of proposals.
- The proposal does not meet the requirements and is not prepared and submitted as outlined in the application format section.
- Plagiarism, including but not limited to failure to cite one's own work or third-party work, duplicate applications, etc.
- The proposal contains false or misleading statements or references which do not support an attribute or conditions contended by the applicant; and if, in the opinion of CalOSBA or GO-Biz, such information was intended to mislead the Review Committee in its evaluation of the proposal.
- The proposal is confidential, conditional, and incomplete or if it contains any irregularities.

The determination of rejection for grant funding is final and not subject to appeal or protest.

Debriefings

Written debriefings of the evaluation results will not be provided to unsuccessful proposals. Oral debriefings may be provided at CalOSBA's discretion.

RFP Schedule

October 11, 2021	RFP released online at calosba.ca.gov and grants.ca.gov
October 21, 2021 at 10:00AM	Online webinar – View recording HERE
December 6, 2021	Additional questions due to osba@gobiz.ca.gov no later than 3:00 PM
December 10, 2021	Updated Q&A posted online at calosba.ca.gov and grants.ca.gov
December 16, 2021	Proposals due to CalOSBA no later than 5:00 PM PST
February 1, 2022	Notification of intent to Award
April 1, 2022	Program begins

Pre-bid Webinar

Prospective iHub² applicants interested in the RFP process are invited to participate in an online webinar that will be held on October 21, 2021. The webinar will include a presentation that will include key points of the RFP and core expectations from any successful applicant.

While participation is encouraged, it is not mandatory. A recording will be made available at calosba.ca.gov.

To view the webinar, click [here](#)

Reporting

iHub² Coordinators (“Coordinators”) will be required to submit quarterly and annual reports to CalOSBA. Coordinators will be required to submit quarterly performance and financial reports to CalOSBA within 45 calendar days of the completion of each quarter of the one-year grant period.

After the first year (year 2-5), performance reports will be due bi-annually within 45 calendar days of completion of the 2nd and 4th quarter of each program year.

The first annual report must include successes and challenges as it relates to the inclusive and innovative funds awarded to the Coordinator.

Templates and instructions will be provided to the Coordinator within 60 days of the start of the program.

- Number of entrepreneurs / businesses supported in specialized programs
- Number of mentor matches
- Number of Diverse Fund Managers (Venture Firms)
- Number of investor introductions
- Number of strategic partner introductions
- Number of new business starts
- Number of bootcamps focused on preparing entrepreneurs with their deck presentation and pitch in front of investors
- Number of patent applications
- Number of issued patents
- Number of orders or contracts secured
- Dollar amount of orders or contracts secured
- Number of non-dilutive capital
- Dollar amount of non-dilutive capital or grants
- Number of equity investments
- Dollar amount of equity investments
- Number of loans
- Dollar amount of loans
- Number of venture's that raised equity with support of the organization
- Amount of capital raised by ventures with support of the organization
- Number of jobs created (full or part-time)
- Dollar amount of valuations of businesses supported
- Number of Exits (mergers and acquisitions)
- Percentage of business supported in operation, OR

- Percentage of survival rates of businesses supported
- Number of successful Mentor Programs and matches with industry leaders and/or investors. A “successful match” is defined as creating opportunities for trust building, knowledge sharing and support for the entrepreneur to help increase the likelihood of reaching fundraising goals, starting and growing ventures, and receiving introductions to investors or industry leaders.

The above metrics must be reported for the following underserved communities:

- Women
- Veterans
- Black/African American
- Asian
- Native American/Alaska Native
- Native Hawaiian or Pacific Islander
- Latinx/Hispanic
- Rural
- Low-Wealth
- Disaster-impacted included in a state or federal emergency declaration or proclamation

Financial Report

The Financial Report Template will contain the invoice template and not be limited to the following information:

- Consultant names (including affiliated organizations if it’s a partnership with a participating TAEP center, chamber, accelerator, incubator, institution, government entity, etc.)
- Description of non-labor expenditures
- Cost for client consulting, including hourly rates, benefit rates and number of hours worked
- Costs for client trainings
- Cost for research
- Cost for marketing
- Reimbursement period
- Signature from Coordinator affirming that the information is accurate

Annual Report

The annual report will be a detailed narrative of how the iHub² was able to expand services to underserved communities, including women, people of color, veterans, and those in rural and low-wealth communities, and help entrepreneurs to start, expand, raise funds and create jobs.

Coordinators should address the following:

- Actual metric outcomes compared to proposed goals

- Demographics
 - The number of businesses assisted that were pre-launch, part-time only, and/or operating full-time
 - The employee size of businesses assisted; based on the number at the time assisted, as reported by the assisted business
 - The revenue size of businesses assisted; based on the amount at the time assisted, as reported by the assisted business. Reporting shall be in categories of business size, as determined by CalOSBA
 - The city and county in which the businesses assisted were located.
 - Industry sectors of the businesses assisted, as reported by the assisted businesses.
 - The number of business owners assisted based on gender
 - The number of business owners assisted based on race
 - The number of business owners assisted that are Veteran/Non-Veteran
 - The number of business owners assisted in low-wealth areas
 - The number of businesses/owners assisted in rural areas
 - Disaster-impacted included in a state or federal emergency declaration or proclamation
- Collaboration and best practice sharing to build an ecosystem for innovative entrepreneurs, services and activities that benefit underserved groups
 - Describe or share any mapping of the continuum of services and any gaps that exist for innovative entrepreneurs and small business startups (i.e. work product such as research studies, strategic regional plans, or databases, diagrams, technology tools, etc.).
 - Describe efforts to develop best-practices to fill identified capital, revenue, or opportunity gaps.
 - Describe efforts to build or strengthen partnerships, collaborations and/or share best practices, especially to underserved business groups.
 - Share metrics on partnerships established due to expansion, especially with organizations with strong memberships bases across underserved business groups.
- Regional and economic shifts (i.e. regional strategies or priorities informing focus, natural disasters, emerging industries, etc.)
- A minimum of five success stories

Monitoring and Reviews

CalOSBA will work with awarded Coordinators to implement routine convenings, conference calls, and webinars to foster collaboration, best practice sharing, and discuss any challenges the programs may be having in the program.

The Application

As a strong supporter of innovation, CalOSBA, on behalf of GO-Biz, is releasing the following request for proposal for iHub². The competitive nature of the Program limits the direct assistance the State can provide during the application process. The following set of guidelines is intended to provide applicants with direction when applying for designation. Successful applicants will ensure that each of the specified elements is addressed in their final application.

Required Content and Format

- A. Cover Page:
 - a. Applicant's Organization Name
 - b. Name and Title of Submitter
 - c. Organization's Address
 - d. Telephone
 - e. Email
 - f. Social Media handles
 - g. Date
- B. Table of Contents: Information is organized as outlined in this Section with page references
- C. Narrative: The narrative portion of the proposal will address all the following items (next page) and not be longer than 20 pages in length excluding all attachments. Applicants are encouraged to focus on providing complete content in a streamlined manner. There are no extra points provided for using all 20 pages of allowable narrative space. **Required format:** 1" margins, single-spaced, 12 point, and Times New Roman font.
 - 1. Statement of Purpose
 - 2. Physical Service Area & Boundaries
 - 3. Partnerships
 - 4. Coordinator
 - 5. Management Team
 - 6. Goals/Benchmarks – [Download template HERE](#)
 - 7. Workforce Development
 - 8. Business Creation
 - 9. Regional Incentives and Support
- D. Budget – [Download template HERE](#)
- E. Letters of Support (no more than 5)
- F. Resumes or CV – Required for iHub² Coordinator applicant and all primary staff that will be managing the program
- G. STD.204 Payee Data Record Form – download this form at <https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf>
- H. STD.21 Drug-Free Workplace Certification – download this form at <https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std021.pdf>
- I. Save as PDF: *Organization Name_iHub2_Proposal_Date of submission*

Narrative Requirements

1. Statement of Purpose

maximum 2500 words

Applicants must clearly and thoroughly define the purpose(s) to be served by the formation of the iHub² and identify the economic development strategy being deployed in its creation or growth/expansion if existing. Proposed iHubs² should outline how the strategy and outcomes will impact underserved communities and underserved entrepreneurs.

- Describe your proposed innovation-based strategy to build an inclusive entrepreneurial ecosystem that supports new and emerging technologies, small businesses, and/or startups in low-wealth areas.
- Describe how your proposed innovation-based strategy will serve as a regional model that fosters a diverse, inclusive, and resilient regional economy. Please include details about how this plan will drive resources to startups in emerging industries focused on generating good quality and healthy local jobs (e.g., what is the first touch point for the new client and how is the client matched with an advisor?).
- What challenges or limitations exist in the acceleration of innovation and emerging industries such as clean technology, clean agriculture, clean energy, and renewable energy, and how will your plan identify and work towards a collective solution involving diverse partnerships?

Proposed iHubs² Should clearly articulate areas of focus of the iHub² including core planned offerings and a comprehensive outline of specific resources that will be offered to support and guide startup companies and aspiring entrepreneurs, as well as cultivate a strong local ecosystem. The iHub²'s core work should be outlined including any planned programming, essential advisory services, networking activities, or other planned actions that focus on business growth and retention. Planned activities might include new starts as well as aiding existing companies in their expansion through:

- Providing supportive financial structures (e.g., venture capital, angel investment, commercial lending)
- Securing partnerships between the institution and private sector companies (commercialization, patents/technology licensing, collaborative or joint, R&D)
- The development of facilities/incubators and amenities to attract and retain technology-based graduates and companies
- Providing workforce development support and collaboration

Proposed iHubs² must outline a detailed commercial market focus and define industry prioritizations supported by a clear understanding and mapping of the assets in the region to support the strategy. The iHub²'s purpose should be supported by any similar previous efforts, cluster analysis, regional business analysis, statewide economic development reports, or any

current information which exists to support it. Please review priority industries below; however, note additional industry considerations will be accepted.

Priority Industries Applications must classify the planning project based on specific leading or emerging industries in the region where your organization is based. The following are prioritized industries, but not limited to:

- Aerospace and Space Technology
- Health Care / Clean Biotechnology
- Agriculture Technology
- Water Conservation
- Sustainable Forestry Management
- Clean and Renewable Energy
- AI/Logistics
- Sustainable Agriculture, Regenerative Agriculture/Climate-Smart Agriculture
- Zero-Emission Vehicle Infrastructure Development
- Clean Technology
- Clean Manufacturing/Low-carbon Manufacturing
- Clean Transportation
- Additive Advanced Manufacturing
- Sustainable tourism
- Information technology
- Hardware/Advanced Materials
- Digital media
- Financial Innovation/ Fintech

2. Physical Service Area & Boundaries

maximum 1000 words

Applicants must provide a clear explanation and map conveying the iHub²'s physical boundary:

- Clearly identify the central location that will be used to support iHub² efforts
- An iHub²'s physical boundary may include the immediate geographic areas around or connected to an educational institution, university, laboratory, or research center.
- The boundary can also include "knowledge nodes" that do not have direct geographical access, but link educational institutions via technology, transportation, or resource allocation. A clear identification and explanation of these links must be included in the application narrative, including a description of the proposed links (e.g., business parks, campus, incubators, and research and development facilities).
- In response to COVID-19, the applicant will clearly describe the iHub² strategies to service and assist virtually beyond the central location.

The boundary must be identified on a map that is submitted with the application. The map should include a clear and reasonable explanation for how/why the boundaries were defined.

Note that more than one iHub² may be designated in an area to the extent that there is a clear distinction between the focus area of each iHub².

3. Partnerships

maximum 1000 words

- a) Applicant must demonstrate that a broad partnership in innovation has been formed across multiple regional partners. Applicant must provide a statement of cooperation, which should specifically include the outlined strengths of the partnership as well as the individual member roles, responsibilities, value and expected contributions (financial and other). This formal agreement may be submitted as an attachment to this proposal in the form of an operational plan, memorandum of understanding (MOU), partnership agreement, or similar document. Each partner must also provide an authorized signature on the statement of cooperation to certify his/her commitment to the iHub².

Partnerships are encouraged to have representatives from each of the following:

- Local Government Organizations
- Economic Development Organizations
- Agencies providing neighborhood/community services focused on startups and innovative ventures
- Professional Organizations with a strong focus on fostering diverse leadership
- Public/Private Universities, California State Universities, California Community Colleges, and activity centers in specific areas
- Small business development centers or entrepreneurship centers
- Venture Capital Firms
- Accelerators or Innovative Incubators

- b) Partnerships must be anchored by all the following:

- At least one major university or research center/institute
- One economic development organization and
- At least four of the following categories:
 - Business support organizations, including workforce development/training organizations, incubator/business accelerators, business technical assistance providers, chambers of commerce, and networking organizations that support innovation.
 - Educational consortium, including technology transfer representatives
 - Venture capital networks including angel investors
 - Business/innovation/science foundations, laboratory research institutions, federal laboratories, and/or research and development facilities
 - Municipal economic development divisions/departments

- Federal government partner such as a national laboratory
- c) Describe how your plan will actively engage diverse stakeholders' ideas, feedback, and recommendations to improve the programming in times when you may need to pivot to meet important objectives and goals.
- d) Describe how you will leverage your partnerships to support diverse entrepreneurs and why your proposed plan is considered critical to driving inclusive economic growth and increasing opportunities for innovation and commercialization activity in low-wealth and/or rural areas.

4. Coordinator

maximum 1000 words

Each successful iHub² application must clearly designate at least one individual and entity responsible for coordinating the collection of iHub² data and execution of activities. In the case of staff transitions or changes, designated iHubs will be allowed to re-designate the responsible coordinator and expected to report the changes to CalOSBA.

In order to serve as an iHub² Coordinator the individual or entity must be:

- Established as a non-profit organization (recommended)
- Agreed to by the partnership as coordinator, the individual or entity:
- Is responsible for implementing the day-to-day objectives of the iHub². This person or organization serves as the primary agent responsible for coordinating services and resources as well as maintaining the partnership.
- Must work with a governing board of iHub² members to coordinate iHub² activities.
- Serves as the primary liaison to the State of California (CalOSBA at GO-Biz).
- Must participate in all mandatory briefings, trainings or other activities related to program implementation, reporting, or collaboration across the larger California iHub² network.

If there are other ideas for how to fulfill the coordinator function, they may be proposed. However, applicants must provide a detailed explanation for why the new structure being suggested works best for the proposed iHub².

5. Management Team

maximum 500 words

Provide a detailed management structure and plan, that should include detailing capabilities, qualifications and experience of a proposed management team, leadership and key personnel who are deemed critical to achieving the proposed plans and outlined goals. The management team should include individuals with relevant experience to achieve the stated goals. Desirable skills include demonstrated experience with innovation programs such as involvement with

technology commercialization, with technology transfer or licensing, with intellectual property management and high level of authentic community engagement. An advisory group or board consisting of partners may be implemented to fulfill needed experience.

- Describe why your organization is best positioned to design and execute a planning project for diverse entrepreneurs and startups that will lead to the commercialization of new technologies and innovative products in specific industries. Please expand on the following key components of your organization's plan:
 - Outreach plan and key stakeholder engagement process.
 - Project's milestones and how they will be measurable and achievable.
 - Include one or two examples of past experiences in successful completion of planning projects similar in size and scope to the proposed project.

6. Goals/Benchmarks

Successful applicants must identify existing benchmarks and specific performance goals to be achieved, steps to reach goals and a timeline with approximate dates for reaching stated goals. Progress toward the achievement of these goals will be reported to GO-Biz on a quarterly basis the first year, and on a semi-annual basis for years two through five. All partners must agree to these performance goals. Further, evaluation procedures that will be used to measure the level of achievement for each stated goal must be outlined. [Download Goals and Benchmarks Template HERE.](#)

Coordinators will be required to submit quarterly performance metrics for the first year, and bi-annually for years 2-5.

*Each goal requires sub-goals for key ownership demographic data including women, veterans, people of color, rural, and low-wealth.

If the applicant is unable to develop a target for a specific goal listed above, please provide justification as to why the applicant is unable to track. **(maximum 250 words)**

7. Workforce Development

maximum 1000 words

Applicants will identify the industries of focus for which they will be supporting innovation, business creation and job formation within the iHub² physical boundaries. For each of those industries, the applicant will describe how they will collaborate across industry leadership to identify occupations that are vital to the competitiveness. Applicants will be expected to partner with workforce development boards or local workforce organizations to help ensure and prepare workforce readiness, development, education and training to align with startups and industries prioritized at the iHub. This element of the iHub² should help ensure a highly skilled workforce to spur innovation, business creation and economic development, as well as provide workers

with labor market mobility. Where possible, applicants are encouraged to consider the use of existing workforce development systems and models with proven success, such as, apprenticeship training programs in California and within the iHub² geographic boundaries.

8. Business Creation

maximum 1000 words

Applicants will identify the technology commercialization, acceleration, and incubation skills necessary to spur new business creation in the region. Further, applicants will identify necessary and available capital markets, corporate R&D, ready marketplaces, and other regional assets that will benefit new and relocated businesses.

9. Regional Incentives and Supports

maximum 1000 words

Applicants should provide a list and brief description of local and regional incentives and support programs that will be used to support businesses within the iHub² (e.g. local fast track permitting, industrial development bonds). Incentives that have a financial impact on the iHub² must also be clearly identified within the budget in section 8 above.

Budget

The applicant must complete a budget that demonstrates the iHub²'s long-term plan for economic sustainability. Define a program budget which clearly differentiates between secured funds (in house, contracted), pending funds (application submitted) and potential future funding sources. Parts of the proposed budget may come from the partners' existing work plans and efforts.

Non-profit groups in partnership with a university or national laboratory should be willing to raise additional money to run their program, aggressively implement technology transfer programs and provide grants to companies within the iHubs². [Download Budget Template HERE.](#)

Revised as of 11/30/2021

END