

PA MANUFACTURING – INDUSTRIAL RESOURCE CENTER

Program Guidelines | November 2017

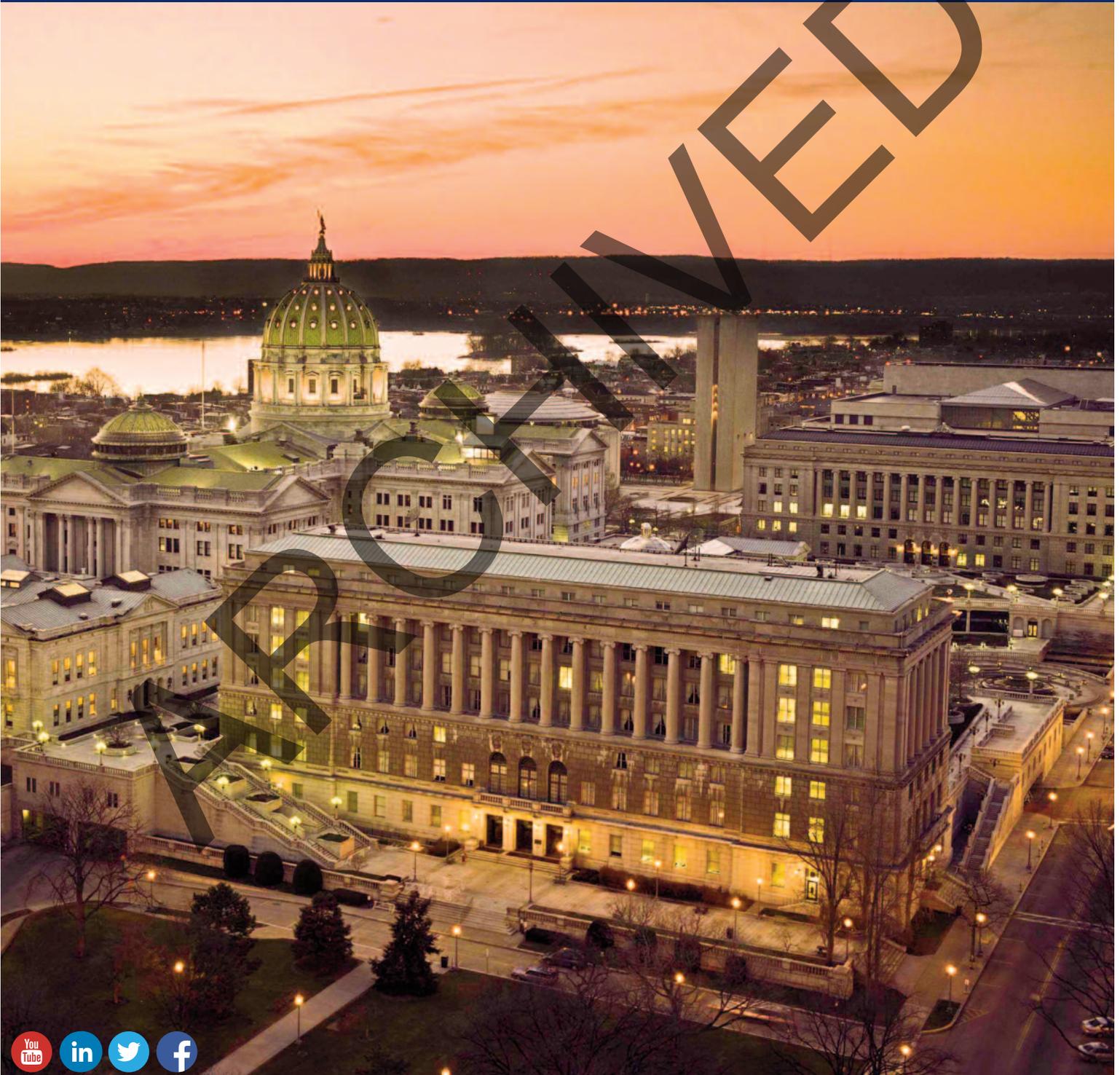


Table of Contents

Section I – General	1
A. Statement of Purpose	1
B. Available Funding	1
C. Core Service Providers	1
D. Eligible Uses of Funds	2
E. Regional Distribution of Funds	3
F. Leveraged Funds and Partnerships	3
G. Program Requirements	4
H. Grant Limitations	5
I. Impact Measures	5
J. Evaluation Criteria	6
K. Application Procedures	7
L. Procedures for Accessing Funds	9
M. Project Close-Out and Reports	9
N. Contact Information	9
Appendix I – Budget Format	10
Section I (Revenue)	10
Section II (Comprehensive Partnership Budget)	10
Section III (Budget Narrative)	11

ARCHIVED

Section I – General

A. Statement of Purpose

1. The PA Manufacturing – Industrial Resource Center (IRC) program supports a network of Centers that serve as resources for technology implementation in every region of the commonwealth and serves the commonwealth’s small and medium sized manufacturing industries.
2. The Centers are regionally focused and serve small and medium sized manufacturers (SMEs) in Pennsylvania by enhancing their productivity and technological performance, to create a positive and enduring economic impact on their communities and on Pennsylvania as a whole. Each regional IRC is responsible for responding to the unique market needs of manufacturers within their region.
3. Collectively, the Centers serve the entire state and leverage impact by collaborating both within the IRC Network and with other economic development partners such as the Partnerships for Regional Economic Performance (PREP), colleges and universities, as well as workforce development organizations.
4. The IRC program’s economic development impact objectives are to enhance a manufacturer’s productivity, sales, profits, and investment in jobs and growth.

B. Available Funding

1. The Fiscal Year 2017-18 Pennsylvania budget provides \$5.3 million for the IRC program via the Manufacturing PA initiative.

C. Core Service Providers

1. The program is designed to leverage the strategic regional alignment of the Centers currently in place throughout Pennsylvania. The following chart identifies the Centers and their corresponding service territories:

CENTER	COUNTIES COVERED
Delaware Valley Industrial Resource Center (DVIRC)	Bucks, Chester, Delaware, Montgomery, Philadelphia
Innovative Manufacturers’ Center (IMC)	Bedford, Blair, Centre, Clinton, Huntington, Juniata, Lycoming, Mifflin, Montour, Northumberland, Snyder, Union
Manufacturers’ Resource Center (MRC)	Berks, Carbon, Lehigh, Northampton, Schuylkill
MANTEC	Adams, Cumberland, Dauphin, Franklin, Fulton, Lancaster, Lebanon, Perry, York
Northeastern Pennsylvania Industrial Resource Center (NEPIRC)	Bradford, Columbia, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne, Wyoming
Northwest Industrial Resource Center (NWIRC)	Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Mercer, Potter, Venango, Warren
Catalyst Connection	Allegheny, Armstrong, Beaver, Butler, Cambria, Fayette, Greene, Indiana, Lawrence, Somerset, Washington, Westmoreland

In response to regional market needs, each Center will develop and host all program activities within their geographic territories defined above. Opportunities for collaboration between multiple regions and Centers will be pursued as appropriate.

2. Each Center will be responsible for establishing and maintaining appropriate regional partnerships with other programs and providers as deemed pertinent to an integrated and comprehensive regional economic development network for manufacturers.
3. Each Center will participate as a contributing partner to at least one PREP region. PREP partnership participation will include attending meetings, coordinating work plans as appropriate, referring PREP partner services and recording performance metrics as determined by DCED.

D. Eligible Uses of Funds

1. Funding is provided to the Centers for the ultimate goal of serving small to mid-sized manufacturers across the commonwealth. The Centers will deliver a wide array of outreach and services designed to strengthen the capacity of manufacturers to compete in the global economy and to encourage growth/expansion.
 - a. Eligible costs include reasonable salary and other personnel expenses, leased space for operational purposes, travel, administrative, equipment, supplies, audit and other expenses associated with the development and delivery of program services. Any employee charging time to this grant as salary and other personnel expenses must maintain adequate payroll records documenting such activities.
 - b. The service delivery framework should include an overarching process of outreach, assessments, consultation/planning and service delivery/implementation. Comprehensive technical assistance to manufacturers includes but is not limited to the following service areas:
 - Manufacturing Process Improvement
 - Quality Management
 - Technology Advancement
 - Human Resource / Workforce Development
 - Business Growth Services and Market Development
 - Product Development and Innovation
 - Other: Market Driven Demand Services
 - c. In response to manufacturer current demand and anticipated future challenges, the Centers should continue to evolve their existing suite of services in response to regional market needs. However, each Center will provide services that encompass three primary business areas: **Product, Process and People**, as described below.
 - **Product:** Services that facilitate manufacturer growth through improved marketing and sales techniques; technology scouting and acceleration; new product development; identification and entry into new markets (including exporting); and internal and collaborative innovation.
 - **Process:** Services that reduce operating and product costs through the implementation of operational improvements; achievement of quality objectives; successful pursuit of sustainability and energy/materials efficiencies; supply chain optimization; and the leveraging of new technologies such as robotics, broadband communications, radio-frequency identification (RFID) and similar.

- **People:** Assistance in the areas of talent development and manufacturing career awareness, including training in specialized skills that improve manufacturer competitiveness and growth - which in turn creates jobs. Also includes working with manufacturers to improve their hiring, HR management, workforce evaluation and workforce planning processes.
2. Funding may be utilized to sustain existing IRC programs as well as to develop new and creative initiatives to meet the evolving needs of the manufacturing community. Examples of evolving service delivery areas include but are not limited to:
 - Advanced Manufacturing Technology & Digital Tools
 - Supply Chain Optimization
 - Talent Pipeline Development and Job-Driven Training
 - Support Technology Development Linkages via Academic and Research Partners

E. Regional Distribution of Funds

DCED does not prescribe or mandate a regional Center funding formula. Each Center will detail the methodology and justification for their respective funding request. When developing regional work plans and budget requests, Centers may take into consideration:

- The number of manufacturers served and cost per manufacturer served;
- The cost of labor, facility rent, utilities and other commonly-incurred IRC expenses within each region;
- The rural nature of each region;
- The span (square miles) of each region;
- The availability of alternative technical resources, both for-profit and not-for-profit, within each region;
- Recent trends in the manufacturing sector within each region;
- Use of third party consultants versus in-network assistance; and
- Other appropriate needs of the applicant and clients to be served.

F. Leveraged Funds and Partnerships

1. Center work plans and budgets should demonstrate the availability and utilization of any additional local, state and federal funds incorporated into the delivery of program related activities. This may include awarded or requested from:
 - U.S. Department of Commerce, National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP);
 - Appalachian Regional Commission;
 - Economic Development Administration;
 - Department of Defense; and/or
 - Other public or private sources.

Grants not pertaining to the program activities do not need to be included. Leveraged or anticipated funds that do not materialize or are subsequently withdrawn or reduced will not impact contract compliance.

2. Center work plans that demonstrate significant additional public/private leveraged funds and resources are strongly encouraged. To the extent possible, program funds should be maximized to leverage additional public and private resources for the purpose of expanding and strengthening the program activities and impact. These are not required matching funds nor subject to DCED compliance and monitoring.
3. Leveraging federal, statewide and regional assets and programs through strategic partnerships should be an integral part of each Center’s overall business model. Collaboration and alignment with other resources increases the range of services that can be provided to manufacturers and eliminates any possible duplication of services, thus maximizing the use of both public and private resources. Center work plans should effectively demonstrate how programmatic partnerships serve to expand the Center’s outreach, market penetration, industry engagement and impact. At a minimum, Annual Operating Plans should demonstrate leveraged programmatic partnerships with:
 - PREP;
 - PA MEP;
 - Manufacturing PA: Innovation Program and Training-to-Career Grant Program; and
 - Other regionally significant economic development resources.

G. Program Requirements

1. **Nondiscrimination** – No assistance shall be awarded to a Center under this program unless the Center certifies that the Center shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All contracts for work to be paid with grant funds must contain the commonwealth’s official nondiscrimination clause.
2. **Conflict of Interest Provision** – An officer, director, or employee of a Center who is a party to or has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the Center, and may not vote on action of the Center concerning the project, nor participate in the deliberations of the Center concerning the project.
3. **Project Records** – The Center must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The program office requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon request of the program office, the Center must furnish all data, reports, contracts, documents, and other information relevant to the project.
4. **Pennsylvania Prevailing Wage Act** – The Pennsylvania Prevailing Wage Act (43 P.S. §165-1 et. seq.) may be applicable to a project funded under this program. Prevailing Wage requirements are generally applicable to grants for construction, reconstruction, demolition, alterations, repair work, renovations, build-out and installation of machinery and equipment in excess of \$25,000. If applicable, the Center is responsible for including prevailing wage rates in all bid documents, specifications, and construction contracts pertaining to the project funded under this program. The Department of Labor and Industry (L&I) has final authority to make prevailing wage applicability determinations. Questions may be directed to (717) 787-3681.

H. Grant Limitations

1. The Center work plans must cover a one-year period of performance.
2. IRC funds may not be used to procure lobbying services or pay fines or reparations resulting from lawsuits, citations, or regulatory actions.
3. Atypical fringe benefits (ex. gym and warehouse memberships) are ineligible expenses. All fringe benefit categories must be detailed in the budget notes, i.e. health/life insurance benefits, paid leave, retirement plans, etc.
4. IRC funds may not be used for legal costs associated with loan closings or bid protests.
5. IRC funds are intended for local and regional delivery of vital economic development services and direct client support. FY17-18 funds may not be used to support central office functions apart from individual partner program and administrative expenses.
6. IRC Funds allocated for memberships, dues, conferences and subscriptions must reflect a direct connection to program services or professional development. Requests for approval or reimbursement of costs associated with resources not directly benefitting program clients or staff will be disallowed.

I. Impact Measures

Each Center work plan will forecast, track and report the following minimum program and process metrics. DCED, in cooperation with the program network, will develop an appropriate reporting methodology utilizing the ExecutivePulse CRM and supplemental reports. Program metrics are those items that reflect the work elements undertaken by the Center (outputs) designed to yield broader economic development impacts (outcomes). Process metrics are qualitative measures of the Center's strategic development and health. Work plans should address the program and process metrics used to measure the Center's success and positioning.

1. **Output Metrics** (quantitative)
 - Training workshops, events and forums
 - Event/Workshop attendees
 - Manufacturing clients served (surveyed)
 - New clients (not active in previous 3 years)
 - Overall client satisfaction (reported via client impact survey)
2. **Outcomes/ Impact Metrics** (quantitative impact as reported by clients)
 - Increased and retained sales
 - Jobs created and retained
 - Client cost savings and avoidance
 - Client investments
3. **Process Metrics** (qualitative narrative report)
 - Special initiatives driving manufacturer awareness of emerging issues and opportunities impacting manufacturing (global engagement, advanced materials, 3D printing, etc.; determined yearly)
 - Coordination with and referrals to other national, statewide, regional, and local strategic partners (Manufacturing Institutes, PREP Partners, Colleges and Universities, etc.)

- Planning and preparation for the long-term sustainability of the organization (professional development, new services, etc.)
- Forging and maintaining partnerships with local and regional economic and workforce development organizations
- Efforts to measure and record client productivity changes
- Efforts to help companies development new markets and new products

DCED will develop and provide reporting templates to further define reporting requirements.

Special note: Centers may forecast, track and report other program metrics as deemed appropriate. Please include these in the work plan.

J. Evaluation Criteria

DCED will evaluate all work plans in accordance with the following criteria:

1. Does the plan focus on the priority services needed, available and requested by the manufacturing community?
2. Does the plan reflect an effort to address regional opportunities and needs?
3. Does the plan provide a balanced service approach to supporting top line growth, bottom line growth and new or evolving priorities?
4. Does the plan adequately address market penetration and service to at risk manufacturers, including small, start-up and rural manufacturers?
5. Is the plan inclusive of and coordinated with other local and regional economic and workforce service providers?
6. Does the plan demonstrate a commitment to the required utilization of the CRM system (ExecutivePulse) for purposes of recording client information and metrics?
7. Does the plan and budget address base services as well as evolving priorities and focus on direct client assistance?
8. Is the project budget clearly and accurately aligned with program implementation?
9. Does the plan demonstrate a prudent use and leveraging of public funds?
10. Do the services offered, and impacts forecasted, demonstrate a significant effort to advance Pennsylvania's manufacturing economy?
11. Does the work plan clearly demonstrate commitment to the highest standard of customer service and excellence?

K. Application Procedures

Each Center will submit one hard copy and one electronic version of the work plan and budget describing the activities to be accomplished in FY2017-18. Each Center should submit an Electronic Single Application. Work plans should, at a minimum, include the following format and information:

Section I. Regional IRC Overview

1. Center Organization/Leadership
2. Board of Directors
3. Key Service Delivery Staff and Expertise
4. Major changes or projected changes in the following areas:
 - Leadership/Management
 - Key Service Delivery Staff
 - Service Offerings
 - Cost share strategy and development plans
 - Market Changes
 - Other changes which may impact the the Center

Section II. Operating Activities and FY 2017-18 Plan

Element I: IRC Client Level Activities by Type of Company

1. Describe specific activities or services planned for the year in terms of serving the following:
 - Very Small Manufacturers (establishments with fewer than 20 employees)
 - Rural Manufacturers (establishments located in a county not defined as part of a metropolitan area¹)
 - Start-up/Emerging Manufacturers (an establishment that has been in operation for five years or less)
2. Complete the following table by providing estimates of the number of establishments you plan to work with in each category:

Goal	Small Manufacturers (<20 EEs)	Rural Manufacturers (Use USDA Definition)	Start-up Manufacturers	Transformational Clients (Use NIST MEP definition)	Other Mfrs.	Total Number of Unique Manufacturers Served
FY 17-18						

Element II: Service Delivery

1. Engagement in “Top Line Growth” (Business Expansion/New Revenue, Marketing, Product Development, Strategic Planning, etc.)
 - What are the primary services that you currently offer to support top-line growth?
 - What other Center(s) are you partnering with to provide top-line growth services?

¹ 2013 Rural-Urban Continuum Codes maintained by the Economic Research Service of the United States Department of Agriculture. 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.

- What other partners (PREP Partners or Colleges / Universities, other) are you using to provide top-line growth services?
 - What new services or tools are you developing or plan to offer for top-line growth?
2. Engagement in “Bottom Line Growth” (Process improvement / Cost savings measures, etc.)
- What are the primary services that you currently offer to support bottom-line growth?
 - What other Center(s) are you partnering with to provide bottom-line growth services?
 - What other partners (PREP Partners or Colleges / Universities, other) are you using to provide bottom-line growth services?
 - What new services or tools are you developing or plan to offer for bottom-line growth?

Estimate the percent of clients engaged in Top-Line and Bottom-Line Growth services:

Goal	Top-Line Growth	Bottom-Line Growth	Total Direct Client Effort
FY 17-18			100%

3. Making New Technologies Available
Identify all activities and goals your 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 technologies to improve products and processes.
4. Key Initiatives
Identify any key initiatives and activities planned for the next year which are not identified elsewhere.
5. Support for Struggling Firms
Describe your strategy for assisting smaller manufacturers who are not able to pay for services.

Section III: Network Partnering Strategy

Describe your partnering strategy to leverage the expertise of other IRCs, MEPs, Manufacturing Institutes, PREP Partners and Colleges and Universities and make manufactures aware of all available economic development resources.

Section IV: Budget

Provide a detailed Center budget and budget narrative that clearly demonstrates the Center’s overall operations and service delivery. Special attention will be given to reviewing the level of resources dedicated to direct client services versus Center administration. Each budgetary category must be clearly defined in the budget narrative. All key personnel supported by IRC funds must be identified by name, annual salary, title, and percentage of time dedicated to IRC activities. Vacant positions should be identified as such. All contractual items must be clearly defined and justification included. Any public/private resources that are leveraged by IRC funds should be identified and included as part of the comprehensive budget and work plan. Please adhere to the budget format included as Appendix I.

Section V: Impact

Each work plan should include projected impact measures as described in Section I on page 5.

Other instructions:

1. Work plans and budgets are requested to be submitted no later than 30 days after release of guidelines.
2. All pages must be numbered.
3. Please include a Table of Contents in the application.

L. Procedures for Accessing Funds

1. Upon approval of a Center Annual Operating Plan by DCED, contracts will be issued to the Center.
2. Following the full execution of a grant contract, funds will be disbursed to the Center based on the approved budget and submission of invoice.
3. Payments will be distributed on a monthly or quarterly cost reimbursement schedule. Audit costs may be invoiced in the final quarter.
4. Budget revisions must be submitted no later than May 15, 2018.

M. Project Close-Out and Reports

1. Each Center will maintain records and client files that demonstrate and document their regional services provided.
2. Grant contracts funded with commonwealth funds totaling \$100,000 and over are required to have a Project Audit performed. The Project Audit must be done in accordance with the DCED Audit Guidelines. For grant contracts funded with commonwealth funds totaling less than \$100,000, a Grant Closeout Report (GCR) must be completed. Both the Audit Guidelines and GCR forms and instructions can be found at dced.pa.gov/compliance.
3. DCED will provide a standardized template to be utilized by each Center to report program and process impacts. To the extent possible and to minimize duplication of effort, NIST MEP's reporting processes and requirements will be taken into consideration as DCED refines reporting requirements. This is particularly true as it relates to client verified impact reporting.

N. Contact Information

Program inquiries, work plans and budgets should be submitted to:

PA Department of Community and Economic Development
Executive Office
Attn: Neil Fowler
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Telephone: (717) 214-5395
Email: nfowler@pa.gov

Appendix I – Budget Format

Please use the following format as a general guideline for budget data to be submitted. Each Center may submit a spreadsheet or similar documentation provided it contains the following minimum information.

Section I (Revenue)

Identify the total amount of IRC funds requested along with other federal, state, local and private funds (cash or in-kind) allocated to the IRC activities.

Example

IRC Funds Requested:	\$1,000,000
Federal funds:	\$600,000 (cash)
Other:	\$10,000 (cash/in-kind)
TOTAL:	\$1,610,000

Section II (Comprehensive Partnership Budget)

Provide a comprehensive cost breakdown for all Center activities funded by funding source utilizing the following cost categories.

Example

Personnel (admin)	\$
Fringe (admin)	\$
Personnel (programs)	\$
Fringe (programs)	\$
TOTAL PERSONNEL:	\$
Travel/Meetings/Conferences/Training	\$
Office Equipment/Supplies	\$
Rent/Mortgage/Moving Expenses	\$
Marketing/Printing/Publications	\$
Website/IT Support/Software	\$
Insurance/Subscription/Membership	\$
Audit	\$
Professional Services/Consulting/Legal	\$
Cleaning/Maintenance/Repair	\$
Postage/Utilities/Phone/Copying	\$
Subcontracts to Partners	\$
\$ TOTAL EXPENSES	\$

Section III (Budget Narrative)

A brief description of each budget line item should be provided. Under the personnel line item, a list of each key employee supported by program funding is required with a notation of the annual salary, amount and percentage of salary being supported by the program.

For the professional services/consulting/legal line item, a description of each contractual item should be included. For any contract of \$10,000 or more, a list of deliverables is required.

All costs must be direct.

All fringe benefit categories must be detailed, i.e. health/life insurance benefits, paid leave, retirement plans, etc.

DCED may request additional documentation related to proposed expenses in order to sufficiently review and determine reasonableness of costs. All applicable organizations must be current with IRS Form 990 (Return of Organization Exempt from Income Tax) and other pertinent filings as directed by state and federal statutes.

ARCHIVED