

CHAPTER 111
SUPPLY CHAIN DEVELOPMENT PROGRAM

261—111.1(15,83GA,SF142) Authority—program termination and transition.

111.1(1) Authority. The authority for adopting rules governing the supply chain development program is 2011 Iowa Code section 15.411(10).

111.1(2) Program termination and transition. The supply chain development program in this chapter was established in order to implement 2007 Iowa Acts, House File 829, section 7(7), and 2011 Iowa Code Supplement section 15.412(3) “g.” In 2012 Iowa Acts, House File 2473, section 31, the general assembly rescinded the provisions that provided the statutory basis for the program. The rules in this chapter that were in effect upon the repeal of the program shall apply to all awards made and all contracts entered into under the program on or before June 30, 2012, and shall continue to apply until such time as all such contracts, including all amendments to such contracts, reach the end of their effective contract periods and are closed by the authority. No new awards will be made under the program, and no new contracts will be entered into on or after July 1, 2012.

[ARC 8211B, IAB 10/7/09, effective 11/11/09; ARC 0611C, IAB 2/20/13, effective 3/27/13]

261—111.2(15,83GA,SF142) Purpose. The purpose of this program is for the economic development authority to collaborate with the department of workforce development to create a supplier capacity and product database. Targeted industries will be provided technical assistance for supply chain development through improved linkages to Iowa suppliers, the targeted industries’ production capabilities and capacities, and technology commercialization services.

[ARC 8211B, IAB 10/7/09, effective 11/11/09; ARC 0611C, IAB 2/20/13, effective 3/27/13]

261—111.3(15,83GA,SF142) Definitions.

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Board*” means the members of the economic development authority appointed by the governor and in whom the powers of the authority are vested pursuant to Iowa Code section 15.105.

“*Committee*” means the technology commercialization committee established by the board pursuant to 261—Chapter 1.

“*Performance improvement programs*” means process management philosophies, best practices, and appropriate tools from methodologies in use in manufacturing total quality and value systems that support supply chain development and provide a competitive advantage.

“*Supply chain*” means a network of facilities that procure raw materials, transform them into intermediate goods and then final products, and deliver the products to customers through a distribution system.

“*Supply chain development*” means strategic and operational activities implemented by manufacturers to effectively and efficiently meet the requirements of their existing customers and to identify possible new customers.

“*Targeted industry*” means the industries of advanced manufacturing, biosciences, and information technology.

[ARC 8211B, IAB 10/7/09, effective 11/11/09; ARC 0611C, IAB 2/20/13, effective 3/27/13]

261—111.4(15,83GA,SF142) Program funding.

111.4(1) Awards shall be made on a per-project basis upon board approval. The maximum award shall not exceed \$100,000 for a single project.

111.4(2) Funds shall be used for the analysis of targeted industry clusters and the development and delivery of manufacturing supply chain development programs. Funds may be used for personnel salaries, software, research data services, and the development and delivery of performance improvement programs. Funds may be used for the systematic design and layout planning for manufacturing operational areas and to purchase machinery and equipment.

111.4(3) Funds shall not be used for university overhead or indirect expenses or for any work that was conducted by the applicant or any third-party consultant prior to the term of the contract.

111.4(4) Awards from the program shall be in the form of a grant.
[ARC 8211B, IAB 10/7/09, effective 11/11/09]

261—111.5(15,83GA,SF142) Matching funds requirement. In order to receive financial assistance, an applicant must demonstrate the ability to secure one dollar of nonstate moneys for every one dollar received from the authority. This requirement does not apply to collaborative projects between the economic development authority and the department of workforce development.
[ARC 8211B, IAB 10/7/09, effective 11/11/09; ARC 0611C, IAB 2/20/13, effective 3/27/13]

261—111.6(15,83GA,SF142) Eligible applicants.

111.6(1) An eligible applicant must be a for-profit business located in Iowa and must demonstrate the commitment of more than one company from one or more of the following industries as classified by the North American Industry Classification System:

- Biosciences.
- Information technologies.
- Advanced manufacturing.

111.6(2) Applications from the U.S. Department of Commerce/NIST manufacturing extension partnership in Iowa (MEP) on behalf of eligible for-profit businesses located in Iowa will be considered for funding.

111.6(3) The authority will establish discrete projects and collaborative projects with the department of workforce development, which do not require application, for supplier capacity and product database initiatives.

[ARC 8211B, IAB 10/7/09, effective 11/11/09; ARC 0611C, IAB 2/20/13, effective 3/27/13]

261—111.7(15,83GA,SF142) Ineligible applicants.

111.7(1) A business which is engaged in retail sales or which provides health services is ineligible.

111.7(2) A business which closes or substantially reduces its workforce by more than 20 percent at existing operations in order to relocate substantially the same operation to another area of the state is ineligible for 36 consecutive months at any of its Iowa sites from the date the new establishment opens.
[ARC 8211B, IAB 10/7/09, effective 11/11/09]

261—111.8(15,83GA,SF142) Application process.

111.8(1) An organization, institution of higher learning, individual or business must submit an application to the Economic Development Authority, 200 East Grand Avenue, Des Moines, Iowa 50309, in a form provided by the authority. Required forms and instructions are available by contacting the authority at that address or from the authority's Web site at www.iowaeconomicdevelopment.com.

111.8(2) The technology commercialization committee shall have the authority to evaluate each application and shall provide a suggested funding amount to the board for consideration.

111.8(3) An application for technical assistance under the program shall include any information required by the authority including, but not limited to, all of the following:

a. Proposed services for manufacturing supply chain development, organized information, or technical assistance.

b. A listing of the Iowa companies and executives committed to participating in the technical assistance services.

c. A description of the scope of work.

d. A description of the performance metrics.

e. Resources and project budget.

f. Project time line and milestones.

[ARC 8211B, IAB 10/7/09, effective 11/11/09; ARC 0611C, IAB 2/20/13, effective 3/27/13]

261—111.9(15,83GA,SF142) Application selection criteria. In reviewing applications for technical assistance, the committee shall consider the following criteria:

1. Experience in implementing successful supply chain development programs with Iowa manufacturing companies.

2. Experience in implementing successful performance improvement programs with Iowa manufacturing companies.
3. Formal linkages to resources available from national organizations providing supply chain development programs.
4. Number of Iowa original equipment manufacturers (OEMs) and suppliers involved in the application.
5. Established, existing data and experience in preparing organized information (e.g., database, product flow, analysis, GIS tools, charts) regarding Iowa manufacturers' supply chain development programs.
6. Ability to create and analyze targeted industry cluster and subcluster data to generate strategic recommendations for economic development.
7. The degree to which the supply chain development program could be sustained and replicated.
8. Potential impact on the manufacturing output of Iowa OEMs and suppliers.
9. Budget, financial matching, and total leverage.
10. Return on state investment.

[ARC 8211B, IAB 10/7/09, effective 11/11/09]

261—111.10(15,83GA,SF142) Intellectual property. All intellectual property developed or used for the application must be made available to the authority for future supply chain development efforts with Iowa manufacturers and suppliers. If the applicant does not own the intellectual property described in the application, the applicant must provide satisfactory evidence of its right to use or further develop the intellectual property.

[ARC 8211B, IAB 10/7/09, effective 11/11/09; ARC 0611C, IAB 2/20/13, effective 3/27/13]

261—111.11(15,83GA,SF142) Contract and reporting.

111.11(1) Notice of award. Successful applicants shall be notified in writing of an award of assistance, including any conditions and terms of the approval.

111.11(2) Contract required. The authority shall prepare a contract which includes, but is not limited to, a description of the project to be completed by the business; conditions to disbursement; required reports; the repayment requirements imposed on the business in the event the business does not fulfill its obligations described in the contract; and other specific repayment provisions (“clawback” provisions) to be established on a project-by-project basis.

111.11(3) Reporting. An applicant shall submit any information requested by the authority in sufficient detail to permit the authority to prepare the report required pursuant to Iowa Code section 15.104(9) “I” and any other reports deemed necessary by the authority, the board, the general assembly or the governor’s office.

[ARC 8211B, IAB 10/7/09, effective 11/11/09; ARC 0611C, IAB 2/20/13, effective 3/27/13]

These rules are intended to implement Iowa Code sections 15.411 and 15.412.

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