

CHAPTER 111  
SUPPLY CHAIN DEVELOPMENT PROGRAM

**261—111.1(15,83GA,SF142) Authority.** The authority for establishing rules governing the supply chain development program is Iowa Code section 15.411(10).  
[ARC 8211B, IAB 10/7/09, effective 11/11/09]

**261—111.2(15,83GA,SF142) Purpose.** The purpose of this program is for the Iowa department of economic development 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]

**261—111.3(15,83GA,SF142) Definitions.**

“*Board*” means the Iowa economic development board established in Iowa Code section 15.103.

“*Committee*” means the technology commercialization committee authorized by Iowa Code section 15.116.

“*Department*” means the Iowa department of economic development.

“*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]

**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 department. This requirement does not apply to collaborative projects between the Iowa department of economic development and the department of workforce development.

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

**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 department 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]

**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 Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309, in a form provided by the department. Required forms and instructions are available at this address or may be printed from the department's Internet site at [www.iowalifechanging.com](http://www.iowalifechanging.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 department 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]

**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.

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**261—111.10(15,83GA,SF142) Intellectual property.** All intellectual property developed or used for the application must be made available to the department 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]

**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 department 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 department in sufficient detail to permit the department to prepare the report required pursuant to Iowa Code section 15.104(9)“1” and any other reports deemed necessary by the department, the board, the general assembly or the governor’s office.

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

These rules are intended to implement Iowa Code section 15.411 as amended by 2009 Iowa Acts, Senate File 142, section 1.

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