

**REQUEST FOR APPLICATIONS**

**REVISED ALASKA SALMON MARKETING GRANT  
PROGRAM**

[Application Guide]

**ISSUED BY:**

**STATE OF ALASKA  
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
DIVISION OF COMMUNITY ADVOCACY**

**OCTOBER 1, 2003**



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## I. General Information

### **A. Issuing Agency and Contact Person**

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This Request for Applications is being issued by:

State of Alaska  
Department of Community and Economic Development (DCED)  
Division of Community Advocacy

P.O. Box 110809  
Juneau, Alaska 99811-0809 (Mailing Address)

333 Willoughby Avenue, 9th Floor  
Juneau, Alaska 99801 (Delivery Address)

Attention: Glenn Haight

Phone Number: (907) 465-5464  
Fax Number: (907) 465-5085  
E-mail: glenn\_haight@dced.state.ak.us

### **B. Additional Information and Assistance Available**

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Potential applicants should carefully review this Request for Applications for errors, questionable or objectionable materials, and items requiring clarification. Applicants should either put the comments and/or questions in writing and mail them to the above address or phone the above individual as soon as possible.

DCED may issue a written clarification to all those whom initially received a copy of the Request For Applications or respond only to the individual asking the question.

### **C. Introduction of the Alaska Salmon Marketing Grant Program**

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Governor Frank Murkowski recently announced the Alaska Fisheries Revitalization Strategy. The Revitalization Strategy combines federal Fisheries Disaster funds authorized under Title V – Fisheries Disaster, Section 501(b) of the 2003 Federal Appropriations Bill and Southeast Sustainable Salmon Fund monies, authorized under the Pacific Coastal Salmon Recovery Fund, made available by the work of Alaska Senator Ted Stevens.

The Revitalization Strategy is a multi-level, multi-year plan designed to spur increased productivity and innovation in the Alaska fishing industry by investing considerable resources into critical commercial fisheries infrastructure, capital improvement projects, quality improvements, and marketing.

A key component within the Revitalization Strategy is the Alaska Salmon Marketing Grant Program (Program), to be administered by the Alaska Department of Community and Economic Development (“DCED” or “Department”). This Program is intended to assist Alaska salmon marketers to fund industry’s “best thinking” on how to most effectively market wild Alaska salmon.

It is anticipated that approximately \$10 million will be available for grants under this Salmon Marketing Grant Program. The actual amount of funds allocated under this Program, or any portion of the Program, will be determined after review of all eligible grant applications received. DCED reserves the right to alter such allocations, including re-authorization of the available funds for other purposes under the Governor’s Alaska Fisheries Revitalization Strategy, based on the overall quality and long-term value of the applications received. This grant application solicitation in no way requires DCED to expend or grant any funds for the purposes discussed herein.

DCED is in the process of adopting regulations to implement this program. Copies of the public notice and draft regulations are available for review at <http://www.dced.state.ak.us/cbd/seafood/revitalization/marketing.htm> or upon request to the contact person listed in Section A. No grants will be awarded until after the regulations become effective. DCED also reserves the right to re-solicit applications, or amendments to applications, if DCED determines, in its sole discretion, that the Program implemented by the adopted regulations materially differs from the program proposed in the attached draft regulations.

#### **D. Who May Apply**

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Eligibility (eligible applicant) is limited to those individuals or companies that are properly licensed by the State of Alaska to process and / or export seafood from Alaska for 2002, 2003 or 2004.<sup>1</sup> Holding a catcher / seller permit issued by the Alaska Department of Fish and Game is not sufficient to establish eligibility under this grant program. For applicants applying under the mini- or micro grant category, they must evidence meeting the U.S. Small Business Administration’s definition of a small business as defined by the SBA’s Office of Size Standards found at <http://www.sba.gov/size/>.

Applications will be accepted under the following three programs:

- Salmon Marketing Major-Grant Program: This portion will be directed to major processors / marketers and geared to the scale and capabilities of larger companies. This program is open to all applicants who meet the eligibility criteria listed in this section’s opening paragraph. There is no specified maximum award amount for a

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<sup>1</sup> Applicant must hold a Fisheries Business License issued by the Alaska Department of Revenue, and the appropriate Seafood Processing or Export Permit issued by the Alaska Department of Environmental Conservation under 18 AAC 34 or applicable regulations.

Major-Grant, but funds are limited and applications will be judged on reasonableness and overall demand for funding.

- Salmon Marketing Mini-Grant Program: Directed to mid-sized and growing companies and programs. This program is open to those applicants that meet the threshold identified by SBA requirements. The maximum award for a Mini-Grant will not exceed \$200,000.
- Salmon Marketing Micro-Grant Program: Directed towards the small and emerging marketing sector, which includes the primarily Alaskan direct marketing sector. This program is open to businesses that meet the threshold identified by SBA requirements, and that have no more than ten (10) full-time equivalent employees.<sup>2</sup> The maximum award for a Micro-Grant will not exceed \$25,000.

Applicants may submit more than one marketing plan under the same application. The application should state whether the different marketing plans are distinct from each other and request DCED review each plan on its own merits. Applications may include plans from the three different programs, provided they meet the criteria for application within those programs. Each separate marketing plan submitted must have its own budget.

Companies or organizations without a processing license may take part as co-applicants with a licensed processor. All applicants must be in good standing with respect to any and all other legal obligations to the State of Alaska, including payment of all taxes. Co-applicants for the mini- and micro-grant programs that do not have a processing license are exempt from meeting the SBA and full-time equivalent standards.

## **E. Type of Projects**

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This Program is intended to assist Alaska salmon marketers to fund industry's "best thinking" on how to most effectively market wild Alaska salmon.

Applications may seek funding for activities directly associated with marketing Alaska salmon products that have already undergone product design and development work. Both canned and non-canned product forms are eligible. Products eligible under this program should have already demonstrated market acceptance and be ready for a dedicated marketing plan.

Funded expenses may include promotional activities, familiarization tours, trade shows, related marketing travel, packaging and label design, test product giveaways, tasks

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<sup>2</sup> A full time equivalent employee is defined as 2,040 hours worked in a year. For the purposes of a micro-grant application, an applicant must evidence a payroll of less than 20,400 hours for the last calendar.

related to product marketing, and personnel costs. Indirect administrative services and costs are not allowed.<sup>3</sup>

As indicated in the previous paragraph, product development is not the specific focus of this program. However, DCED may, in its sole discretion, accept applications that include product development if the applicant evidences that the proposed product is not highly speculative, can be brought to marketable stage within the maximum duration of the proposed program (3 years), and is tied to a well developed marketing program and has a reasonable likelihood of significantly improving the overall market for Alaska salmon.

Regional marketing/branding programs are not directly eligible for grants under this program but may participate as co-applicants with eligible processor applicants.

## **F. Project Requirements**

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As of the release of this Application Guide, this Program is still evolving and will be implemented through regulations that DCED is adopting. Therefore, DCED retains the right to change this Program as needed to comply with significant regulatory or policy decisions.

Additionally, since this Program is being funded with federal money from the U.S. Department of Commerce, National Oceanographic and Atmospheric Administration provided to the State of Alaska, applicants must be aware that, in addition to state requirements, the following federal requirements may apply to DCED and to its sub-recipient grantees (applicants):

- Section 3016.22 incorporates the Cost Principles dictated by OMB Circular A-87 or similar document.
- Section 3016.37 requires DCED to give notice of all federal requirements to its sub-recipients.
- Applicants in the arrears with the federal government for any money owed may not be eligible for grants under this Program.
- State of Alaska's Single Audit Requirement established under Alaska Administrative Code 2 AAC 45.010.

Applicants should be aware that their application and all supporting documentation, as well as reports submitted pursuant to any grant received are public information.

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<sup>3</sup> Allowable personnel costs are salary, wages and benefits of personnel directly involved with the applicant's marketing activities under the grant program. Personnel costs associated with processing seafood and other activities unrelated to marketing are specifically not allowed.

### **G. Project's Budget**

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Projects may range in duration from a few months to three years. DCED will fund a portion of a marketing plan's costs, based on the program. For applications under the Major Grant Program, DCED may provide up to 50 percent of the project's entire cost (1 to 1 match). For the Mini-Grant Program, DCED may provide up to 66 percent of the project's entire cost (2 to 1 match). For the Micro-Grant Program, DCED may provide up to 75 percent of the entire cost (3 to 1 match). Applicants are encouraged to provide more than the minimum required match when possible. Match is expected to be cash expenditure above and beyond the current marketing expenditures of the applicant.

This is a cost reimbursable grant program. The applicant will be required to expend funds and then seek reimbursement from DCED.

### **H. Project's Long-Term Value**

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While this Program is intended to provide one-time funding (grants) for new and/or expanded marketing plans, the long-term sustainability and value of the projects must be demonstrated.

## II. Submission and Form of an Application

### **I. Due Date and Number of Copies**

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An Applicant must submit an original and six copies of a Salmon Marketing Grant Program application to the address and individual listed on page one (1) of this Request for Applications. The application is to consist of no more than eight (8) pages. Attachments to the body, such as resumes, detailed designs, cost estimates, resolutions, etc are in addition to the eight-page limit and are to be clearly identified. The application must be postmarked no later than November 7, 2003.

An Applicant must provide the information in the form required in Sections J – N set out below. An Applicant may: (a) download this Request For Applications from DCED's website at <http://www.dced.state.ak.us/cbd/seafood/revitalization/marketing.htm> located under *Alaska Salmon Marketing Grant Program*; (b) request an electronic copy from the individual listed in Section A; or (c) type an application that provides the information in the form required in Sections J – N set out below.

### **J. Table of Contents**

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An application must include a Table of Contents, and all pages must be numbered and reflected accordingly in the Table of Contents.

### **K. Identify and Discuss the Applicant**

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An applicant's proposal (grant application):

- Must identify which program(s) (major, mini, micro) under which they are applying for grant funds.
- Must identify the applicant's organization and provide evidence of appropriate State of Alaska licensing and method of business organization (corporation, partnership, limited partnership, limited liability company, cooperative, or sole proprietorship). If the applicant is applying for grants under the mini- or micro- program, the applicant must clearly demonstrate it meets the qualification of a small business as defined by the U.S. Small Business Administration. If an applicant is applying for a micro-program, they must demonstrate having no more than ten (10) full-time equivalent employees in 2002.
- Must discuss the applicant's organization such as duration of existence, an organizational diagram, and lines of communication.
- Federal identification number.
- Must provide applicant's project lead, physical and mailing addresses, phone and fax numbers. May provide email addresses.

- Must discuss the applicant's experience with similar previous projects, the success of those projects, and current and/or on-going projects.
- Along with identifying the project lead, the applicant must also identify the key personnel, previous experience of each, and ability to successfully complete this project. Individual resumes may be included as part of the applicant's proposal.
- If the Applicant intends to hire a contractor(s) to perform portions of this project, the following information must also be provided for each contractor if available:
  - Complete name, mailing address, and physical address.
  - Verification of business license and other licensing credentials required under Alaska law.
  - Complete name, title, phone number, and email address of the contractor's contact person.
  - Identify the contractor's key personnel, previous experience, and responsibilities of each in the completion of the portion the project being contracted.
  - Individual résumés may also be included.
- Co-applicants must also provide the information required in this section.

## **L. Discuss the Project**

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An applicant's proposal must provide a detailed and all-inclusive discussion of the project and should include but is not limited to:

- A succinct description of the marketing project.
- Detailed discussion of every significant aspect of the project. This includes detailed milestones, completion date of each milestone, specific activities for completion of each milestone, and completion of entire project.
- Discussion of how the project meets the following

### **For Major Grant Applicants only:**

1. There will be a strong focus on marketing pink salmon in order to address the current difficulties facing that sector, including the need to move substantial volumes of product. At minimum, DCED seeks to target \$5 million towards pink salmon marketing.

### **For Major, Micro & Mini Grant Applicants:**

2. Demonstration of potential for market acceptance.
3. Overall quality, creativity and effectiveness of marketing activities.
4. Clear and prominent identity of the product as Alaska salmon and the positive attributes of wild and natural.

5. Demonstration of how the end product will increase market recognition.
  6. Employment of identified quality standards and grading procedures in the end product.
  7. Demonstration of how the product will increase market appreciation of Alaska salmon.
  8. Consideration of Alaska involvement. This includes the degree to which Alaska resident employees and fleet contributed to the production and development of the product used in the marketing plan, the use of Alaska shoreside facilities, or use of floating processing facilities that employ a significant number of Alaska residents.
- Detailed discussion of the project's feasibility, including: obstacles in the current business environment that may hinder or prevent the success of the project; ideas or areas of change that would improve the viability of the project; and any other unique characteristics and assumptions that may affect the project.

#### **M. Discuss the Project's Budget**

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An applicant's proposal must provide a detailed and comprehensive budget that clearly identifies all expenses and funding of the project, with independent estimates as available. Discussion should include, but by no means be limited to the following items:

- Identify and project in detail all direct expenses.
- Identify and project in detail the dollar amount and relative percentages of all funding sources. Examples include, but are not limited to DCED grant funds, applicant's available cash, applicant's in-kind match, applicant's proposed loan, revenue from another entity, etc.
- Provide a clear proposal regarding the frequency (not less than once quarterly) and content of financial reporting on the project including interim reports and final project financial report.

#### **N. Discuss the Project's Long-Term Value**

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An applicant's proposal must describe the long-term sustainability and expected return the project will generate. Information must be consistent with information presented elsewhere in the applicant's proposal. Discussion should include but is not limited to how the project will facilitate the following in the long-term:

- increase Alaska seafood product quality;
- increase Alaska seafood/product diversity and/or value in the consumer or food service market(s);
- increase profitability for the processing sector of the industry;

- increase profitability for the harvesting sector of the industry;
- volume of product moved; and
- increase economic activity within the community and/or region impacted by the project.

### III. Review and Evaluation of Applications

#### **O. Initial Review of Applications**

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Prior to evaluating the grant applications, DCED will perform an initial review to identify grant applications that do not meet the minimum requirements and/or have not provided the minimum information and/or are otherwise deemed unresponsive to the requirements set forth herein. DCED in its sole discretion may contact the applicant for additional information or DCED may declare the application as non-responsive and reject it in its entirety. If rejected, the grant application will be eliminated from the evaluation process and the applicant will be notified accordingly.

#### **P. Evaluation of Applications**

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Upon completion of the initial review, remaining applications will be forwarded to an evaluation committee comprised of staff members from the Departments of Community and Economic Development, Fish and Game, and Labor and Workforce Development. Each member of the evaluation committee will independently evaluate each grant application based on the criteria, evaluation factors, and numerical values identified in this Application Guide and summarized below:

Eligible Applicants	15
Eligible Projects -- Description	25
Eligible Projects -- Duration and Amount (Budget)	20
<u>Eligible Projects -- Long-term Value</u>	<u>40</u>
Maximum Possible Points	100

- The Evaluation Committee, at its sole discretion may decide if additional discussion with, or presentations by applicants are required, and/or if site inspections are necessary. Following any such discussions, presentations or site visits, members of the Evaluation Committee may change their individual scores based on the additional information provided.
- The individual Evaluation Committee members will have the opportunity to meet as a Committee to discuss the grant applications before and/or after their individual review and scoring. Members of the Evaluation Committee may change their individual scores based on these discussions.
- When the individual Evaluation Committee members have completed their scoring, the total points for each grant application will be determined.
- Applications and ranking information will be forwarded to Cabinet level members of the Alaska Fisheries Revitalization Strategy Committee. Members will advise the Department, taking into consideration the: (1) federal limitations, such as a certain percentage of the Program must fund salmon specific projects in the Southeast region; (2) economic condition of the various fishing regions, an option may be to

award fairly equal amounts to all fishing regions but by no means is limited to that; and (3) numerical ranking determined by the Evaluation Committee.

**Q. Notification of Applicants**

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All Applicants will be notified upon completion of the evaluation process.

The Department will make preliminary award determinations. Applicants receiving a preliminary award will work with Department on all outstanding requirements. Once all requirements have been met, the successful applicant will have the opportunity to enter into a Grant Agreement with the Department.

Unsuccessful applicants have up to 10 working days from the date of receiving notice, to provide a written appeal to Department. Department, at its sole discretion, may consider the appeal and will notify the applicant accordingly.