more of the proposed Center’s capital and annual operating and maintenance costs for the first three years and an increasing share for each of the following three additional years. Applicants should provide evidence that the proposed Center will be self-supporting after six years.

(iii) A statement describing linkages to industry, government, and educational organizations within its service region.

(iv) A statement defining the initial service region including a statement of the constituency to be served and the level of service to be provided, as well as outyear plans.

(v) A statement agreeing to focus the mission of the Center on technology transfer activities and not to exclude companies based on state boundaries.

(vi) A plan to focus the Center’s technology emphasis on areas consistent with NIST technology research programs and organizational expertise.

(vii) A description of the planned Center sufficient to permit NIST to evaluate the proposal in accordance with §290.6 of these procedures.

(b) [Reserved]

§290.6 Proposal evaluation and selection criteria.

(a) In making a decision whether to provide financial support, NIST shall review and evaluate all qualified proposals in accordance with the following criteria, assigning equal weight to each of the four categories.

(1) Identification of target firms in proposed region. Does the proposal define an appropriate service region with a large enough population of target firms of small- and medium-sized manufacturers which the applicant understands and can serve, and which is not presently served by an existing Center?

   (i) Market analysis. Demonstrated understanding of the service region’s manufacturing base, including business size, industry types, product mix, and technology requirements.

   (ii) Geographical location. Physical size, concentration of industry, and economic significance of the service region’s manufacturing base. Geographical diversity of Centers will be a factor in evaluation of proposals; a proposal for a Center located near an existing Center may be considered only if the proposal is unusually strong and the population of manufacturers and the technology to be addressed justify it.

(2) Technology resources. Does the proposal assure strength in technical personnel and programmatic resources, full-time staff, facilities, equipment, and linkages to external sources of technology to develop and transfer technologies related to NIST research results and expertise in the technical areas noted in these procedures?

(3) Technology delivery mechanisms. Does the proposal clearly and sharply define an effective methodology for delivering advanced manufacturing technology to small- and medium-sized manufacturers?

   (i) Linkages. Development of effective partnerships or linkages to third parties such as industry, universities, non-profit economic organizations, and state governments who will amplify the Center’s technology delivery to reach a large number of clients in its service region.

   (ii) Program leverage. Provision of an effective strategy to amplify the Center’s technology delivery approaches to achieve the proposed objectives as described in §290.3(e).

(4) Management and financial plan. Does the proposal define a management structure and assure management personnel to carry out development and operation of an effective Center?

   (i) Organizational structure. Completeness and appropriateness of the organizational structure, and its focus on the mission of the Center. Assurance of full-time top management of the Center.

   (ii) Program management. Effectiveness of the planned methodology of program management.

   (iii) Internal evaluation. Effectiveness of the planned continuous internal evaluation of program activities.

   (iv) Plans for financial matching. Demonstrated stability and duration of the applicant’s funding commitments as well as the percentage of operating and
capital costs guaranteed by the applicant. Identification of matching fund sources and the general terms of the funding commitments. Evidence of the applicant’s ability to become self-sustaining in six years.

(v) **Budget.** Suitability and focus of the applicant’s detailed one-year budget and six-year budget outline.

**§ 290.7 Proposal selection process.**

Upon the availability of funding to establish Regional Centers, the Director shall publish a notice in the Federal Register requesting submission of proposals from interested organizations. Applicants will be given an established time frame, not less than 60 days from the publication date of the notice, to prepare and submit a proposal. The proposal evaluation and selection process will consist of four principal phases: Proposal qualification; Proposal review and selection of finalists; Finalist site visits; and, Award determination. Further descriptions of these phases are provided in the following:

(a) **Proposal qualification.** All proposals will be reviewed by NIST to assure compliance with §290.5 of these procedures. Proposals which satisfy these requirements will be designated qualified proposals; all others will be disqualified at this phase of the evaluation and selection process.

(b) **Proposal review and selection of finalists.** The Director of NIST will appoint an evaluation panel to review and evaluate all qualified proposals in accordance with the criteria set forth in §290.6 of these procedures, assigning equal weight to each of the four categories. From the qualified proposals, a group of finalists will be selected based on this review.

(c) **Finalist site visits.** NIST representatives will visit each finalist organization. Finalists will be reviewed and assigned numeric scores using the criteria set forth in §290.6 of these procedures assigning equal weight to each of the four categories. NIST may enter into negotiations with the finalists concerning any aspect of their proposal.

(d) **Award determination.** The Director of NIST or his designee shall select awardees for Center Operating Awards based upon the rank order of applicants, the need to assure appropriate regional distribution, and the availability of funds. Upon the final award decision, a notification will be made to each of the proposing organizations.

**§ 290.8 Reviews of centers.**

(a) **Overview.** Each Center will be reviewed at least annually, and at the end of its third year of operation according to the procedures and criteria set out below. There will be regular management interaction with NIST and the other Centers for the purpose of evaluation and program shaping. Centers are encouraged to try new approaches, must evaluate their effectiveness, and abandon or adjust those which do not have the desired impact.

(b) **Annual reviews of centers.** Centers will be reviewed annually as part of the funding renewal process using the criteria set out in §290.8(d). The funding level at which a Center is renewed is contingent upon a positive program evaluation and will depend upon the availability of federal funds and on the Center’s ability to obtain suitable match, as well as on the budgetary requirements of its proposed program. Centers must continue to demonstrate that they will be self-supporting after six years.

(c) **Third year review of centers.** Each host receiving a Center Operating Award under these procedures shall be evaluated during its third year of operation by a Merit Review Panel appointed by the Secretary of Commerce. Each such Merit Review Panel shall be composed of private experts, none of whom shall be connected with the involved Center, and Federal officials. An official of NIST shall chair the panel. Each Merit Review Panel shall measure the involved Center’s performance against the criteria set out in §290.8(d). The Secretary shall not provide funding for the fourth through the sixth years of such Center’s operation unless the evaluation is positive on all grounds. As a condition of receiving continuing funding, the Center must show evidence at the third year review that they are making substantial progress toward self-sufficiency. If the evaluation is positive and funds are available, the Secretary of Commerce...