FONDS D'ACCÉLÉRATION DES COLLABORATIONS EN SANTÉ

SECOND CALL FOR PROPOSALS

GUIDE

In collaboration with

cqdm

Votre gouvernement

Québec

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THE FONDS D'ACCÉLÉRATION DES COLLABORATIONS EN SANTÉ

Background

The *2017-2027 Québec Life Sciences Strategy* produced by the Ministère de l'Économie et de l'Innovation provides funding over seven years under the Fonds d'accélération des collaborations en santé (FACS). The FACS seeks to support ambitious initiatives to enhance and strengthen public and private collaboration throughout the innovation chain in the life sciences sector. Six projects were selected in the wake of the first call for proposals (RFP). They have received $40 million in Québec government investments.

Since the onset of the COVID-19 pandemic, the life sciences sector has rallied to respond to the challenges raised. However, this crisis will have deep-seated repercussions on the entire life sciences ecosystem, including changes to healthcare delivery, innovation development and market access processes, as well as modified access to capital and supply chains. We are witnessing a new dawn for the life sciences ecosystem.

Through this second RFP under the FACS, the Québec government is inviting the sector to seize the opportunities inherent in this new reality and to implement ambitious projects. Such projects will fall within the scope of the sector's revival, helping to better position Québec's small and medium-sized enterprises (SMEs). Up to $35 million will be available through this second RFP.

The Québec government has mandated the CQDM[1] to implement the FACS, which includes evaluating and selecting proposals and following up with the funded projects.

Objectives and anticipated benefits

The Québec government hopes to encourage actors in the life sciences ecosystem to collaborate synergistically and strategically to develop initiatives or ambitious projects to be implemented in Québec.

The projects submitted must have a structuring impact or serve as **catalysts** in the sector and **meet current and future needs of businesses in the life sciences sector**.

[1] The CQDM is a non-profit organization (NPO) whose mission is to accelerate the discovery and development of technologies, innovative tools, and more reliable, effective medications.

A structuring **project** mobilizes stakeholders to focus on a common goal. It has lasting benefits that will help reposition Québec by developing or strengthening the province's competitive advantage and activities. It creates a multiplier effect in the economy.

The initiatives can cover any disciplines related to the health sector, including the biopharmaceutical industry, medical technologies or information technologies, and the use of approaches centred on artificial intelligence applied to health. The projects must also **demonstrate that the proposed activities complement** the activities of existing organizations or those resulting from current initiatives in the health ecosystem, such that they will form a coherent whole. Accordingly, the initiatives should not lead to the creation of new organizations but rather emphasize teamwork and the creation of a streamlined ecosystem that will enhance the existing offering. When applicable, alignment and partnership approaches with other industry stakeholders are strongly encouraged.

The projects submitted must promote Québec's economic recovery by meeting the specific objectives of this new RFP. They should:

- enhance the maturity and competitiveness of innovative SMEs in the life sciences sector at the national and international level;
- strengthen the sector's innovation value chain by improving efficiency in the development and maturation processes for innovations created by Québec companies;
- develop or strengthen a promising niche;
- attract private and foreign investments.

The initiatives must engender direct, tangible benefits for each of the following stakeholders:

- the private companies that are partners in the project;
- the NPOs, the public higher education or health and social services institutions that are project partners;
- other stakeholders in the Québec life sciences ecosystem.

ELIGIBILITY REQUIREMENTS

Eligible projects

To be eligible and considered for funding, the projects must:

- have goals that match those of the FACS;
- be completed within a maximum period of three years;
- leverage the requisite partners (see the "Eligible clientele" section);[2]
- demonstrate the agreement and participation of all project partners as well as the support and participation of existing stakeholders through letters of support.

Projects need not necessarily have a research-and-development component. However, if they do, the resulting benefits must go beyond simply furthering knowledge.

[2] Private or public enterprises, NPOs, institutions of higher learning or health and social services networks, Québec public research institutes, business incubators or accelerators, charitable or philanthropic foundations, and the institutional, trust, investment or research funds of foreign government departments or bodies can all qualify as partners.

Eligible applicants

The application for funding must be submitted by an NPO whose activities are based in Québec. It has to have a history of achievements in the life sciences sector, or by a Québec public higher education or health and social services institution. This entity will be responsible for overall project management, periodic and annual reports, and interaction with the CQDM. Note that the organization must have been incorporated prior to the launching of this RFP.

The application must be made on behalf of a group of partners, hereinafter referred to as the "consortium." Each partner will participate actively in the project to satisfy the objectives of the RFP and consolidate or coordinate province-wide efforts. Projects that require a partnership with health and social services institutions or their research centres must ultimately involve at least two réseaux universitaires intégrés de santé (RUIS).[3] The consortium must comprise a **minimum of four independent partners,** including the following Québec entities:

- at least two different universities or colleges or at least two institutions in the health and social services network from different RUISs;
- at least two SMEs.[4]

An NPO can also participate in the consortium as either an applicant or a partner.

FUNDING AND CO-FUNDING REQUIREMENTS

FACS Funding

Each of the projects selected will receive between $5 million and $10 million in non-refundable government funding. Exceptionally, funding of more than $10 million could be granted to highly structuring projects that benefit the sector, but the financial requirements must be fully justified. Funding granted by the MEI under the FACS must represent a maximum of 50% of eligible project expenses.

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[3] Université Laval, McGill University, Université de Montréal, and Université de Sherbrooke make up the réseaux universitaires intégrés de santé.

[4] The SMEs must be legally constituted under Québec laws and registered in the Registraire des entreprises du Québec prior to the launch of this second RFP. To be considered, the SMEs must:

- operate a business in Québec where research and development or production operations are conducted, or offer a technological service;
- have 249 or fewer employees in Québec;
- have assets, including the assets of associated companies, of less than 50 million dollars. Such assets are calculated on a worldwide basis for the taxation year ending in the calendar year that precedes the given calendar year.

The grant may be shared between the following partner organizations:

- Québec institutions in the higher education or health and social services networks;
- Québec public research institutes;
- Québec NPOs;
- Québec business incubators and accelerators.

All project-related financial arrangements must account for expenses equivalent to 5% of the total amount of the grant to cover project management and follow-up by the CQDM. This amount will be charged to the government funding.

Co-funding requirements

Co-funding by the partners must represent a minimum of 50% of eligible project expenses. Private companies must account for at least 35% of the financing package. Charitable foundations and other eligible sources can contribute a maximum of 15%.

Private funding must come from Québec SMEs and must account for a minimum of 20% of total eligible project expenses. The contribution by Québec SMEs can take the form of in-kind contributions[5] and/or cash contributions. All other project partners must provide cash contributions. In-kind contributions may not exceed 25% of eligible project expenses.

The table in Appendix 1 summarizes the parameters governing the allocation of eligible costs. Eligible co-funding partners include:

- private or public companies;
- charitable or philanthropic foundations;
- institutional, trust, investment and research funds of foreign government departments or agencies.

The following co-funding sources are ineligible:

- grants from provincial or federal government departments, including their funding agencies, such as the Canadian Institutes of Health Research, the Natural Sciences and Engineering Research Council of Canada, the Canada Foundation for Innovation, and the Fonds de recherche du Québec (health, nature and technology, and society and culture);
- a contribution that has already been subject to matching under Québec government programs or initiatives;
- a Québec government research grant or such a grant from agencies funded by the Québec government, e.g. the CQDM, the Centre de recherche industrielle du Québec, Genome Canada, NanoQuébec, MEDTEQ, Prompt, and so on;
- the value of existing intellectual property transferred to a project;
- a discount offered by suppliers of consumables or equipment.

[5] In-kind contributions must be essential to the completion of the project and their value must be subject to an external audit. Expenses incurred prior to the project start date will not be eligible.

The matching funds required to fully carry out the project must be contractually confirmed prior to the signing of the FACS funding agreement. The government may at any time decide to end the project if a lack of funding jeopardizes it.

Eligible expenses

Expenses will be deemed eligible starting on the date the detailed application is submitted. However, should government funding be refused, such expenses will not be reimbursed. The applicant therefore assumes full responsibility for expenses incurred before written confirmation is received that funding is granted.

Expenses incurred by Québec SMEs (by way of in-kind contributions), NPOs, healthcare institutions or Québec public research institutes that directly support the project's objectives will be deemed eligible.

None of the consortium partners can carry out more than 80% of the activities stipulated under the project or receive more than 80% of the FACS grant.

Eligible expenses include:

- employee salaries and benefits, except those of university professors and physicians;
- honoraria;
- general and administrative expenses, including marketing-related expenses or expenses stemming from participation in events;
- technological services or expenses related to subcontracting;
- material, consumables, and supplies;
- scholarships for students and postdoctoral trainees;
- other contracts, including subcontracts and consulting contracts;
- the purchase or leasing of equipment where the cost does not exceed 25% of total eligible expenses;
- expenses related to the protection of intellectual property directly linked to the project;
- intermediation organization management fees;
- travel and accommodation expenses.

All the expenses proposed will be evaluated and must be approved by the CQDM evaluation committee. A ceiling could apply to certain expense categories depending on the nature and needs of the projects.

Eligible expenses also include the indirect costs of research (ICR) applicable to the expenses incurred in Québec universities and hospitals. The ICR correspond to additional operating expenses stemming from research projects that cannot be specifically charged to them. University ICR can account for a maximum of 27% of expenses and hospital ICR, 30%, in accordance with the bulletin issued by the Ministère de la Santé et des Services sociaux.

The institutions are responsible to plan for the ICR into the budget items of the projects in which they are participating and collecting them from the projects' industrial partners and financial backers.

PROJECT EVALUATION AND SELECTION PROCESS

Projects will be selected in two stages. Interested proponents will first be invited to submit a short-form application that briefly describes the proposed initiative. An evaluation committee of independent experts appointed by the CQDM scientific advisory council will evaluate the proposals that satisfy the FACS eligibility criteria. The proponents whose projects are selected based on the short-form application will be asked to submit a detailed application. The evaluation committee will evaluate the detailed proposals and, under the supervision of the CQDM scientific advisory council, issue its funding recommendations to the Board of Directors of the CQDM. Observers from the Ministère de l'Économie et de l'Innovation and the Ministère de la Santé et des Services sociaux will attend evaluation committee meetings.

Short-form application

The short-form applications will be preselected in two qualifying stages, an eligibility analysis and an assessment of relevance.

The preselection of the initiatives will first ensure the projects' eligibility and confirm the partners' financial commitment. To this end, the proponents must submit, with their application, a letter of support provided by each project partner describing the partner's participation and anticipated financial contribution. This means that all the partners required for the purposes of the consortium's eligibility must already be determined at the time the short-form application is submitted. The letters of support must also demonstrate the partners' willingness to provide the entire amount of co-funding. Incomplete applications or applications that do not meet all the eligibility criteria and co-funding requirements will not be submitted for evaluation, and the proponent will be notified of this decision shortly after the application is received.

The evaluation committee will then evaluate all the short-form applications that satisfy the requirements of the FACS. This evaluation will be based on the relevance of the proposed initiatives to the objectives and general evaluation criteria of this RFP, as described in Appendix 2. This stage will encourage the development of collaboration, should similar or complementary proposals be submitted. A non-confidential summary of the initiatives may be shared with the proponents concerned.

A limited number of initiatives will be selected following the evaluation of the short-form applications. Only the consortia selected through this competitive selection process will be asked to submit a detailed application.

The project proponents must complete the short-form application form, which includes:

- a non-confidential summary, which may be shared with the proponents of initiatives targeting similar objectives to foster collaboration and the complementarity of activities;
- a description of the proposed initiative, its structuring effect and innovative nature;
- each partner's role and expertise;
- the anticipated benefits for each partner, the Québec life sciences ecosystem, and the province of Québec;
- a project plan including a summary timeframe and the key milestones and anticipated deliverables;
- a summary budget and the proposed financing package.

The completed short-form application and all supporting documents must be submitted **no later than August 19, 2020, at 4 p.m.** by email to: facs@economie.gouv.qc.ca. The Ministère de l'Économie et de l'Innovation will send an electronic acknowledgement of receipt within two business days following submission of the application.

Detailed application

Proponents whose short-form applications are selected by the evaluation committee will be invited to submit detailed applications. The evaluation committee will evaluate the detailed applications and may call upon independent experts recruited according to the nature of the specific questions that require in-depth analysis. The projects will be evaluated and prioritized based on the following evaluation criteria:[6]

- the structuring effect;
- the innovative nature and appropriateness to the life sciences sector's needs;
- the feasibility and quality of the development or implementation plan;
- the quality of the partnerships;
- the socioeconomic benefits for Québec.

In the context of the evaluation process, a due diligence review of the projects will be conducted to examine, in particular, the quality of the partnerships, sharing of intellectual property, budget planning, co-funding plan, GANTT chart, whether the anticipated benefits are realistic, and the scientific aspects, where applicable. Special attention will be paid to the soundness of the development and implementation plans to ascertain whether everything has been done to ensure the initiative's viability and success. The due diligence review will require interaction between the experts mandated and the various project partners evaluated. The consortia are expected to participate in the due diligence review to ensure that the evaluation committee properly grasps the different facets of the projects.

The evaluation committee will present the findings of the evaluation to the CQDM scientific advisory council, which will be responsible for following up and approving the selection process and will conduct the final ranking of the proposals. The Board of Directors of the CQDM will ratify the funding recommendations.

The link to the detailed application form and details of the sections and required documents will be sent directly to the proponents invited to apply. Detailed applications must be submitted electronically on the secure site provided for this purpose **no later than November 18, 2020, at 4 p.m.**

ADMINISTRATION

Funding agreement

For each project awarded a FACS grant, the CQDM and the public institutions and NPOs participating in the consortium must sign a funding agreement **before June 30, 2021**. Funding is conditional upon the signing of the agreement by this deadline. The CQDM will provide the research agreement template, which will include the following key items:

[6] Appendix 2 fully describes the evaluation criteria.

- Intellectual property will remain the property of the researchers who developed it, according to the applicable policies at the institutions associated with the project. To this end, an interinstitutional agreement signed by all the institutions associated with the project and which does not include the CQDM must be included in the research agreement as an appendix.
- The research agreement must precisely define the milestones to be achieved, the timeframe (GANTT chart), the deliverables, and any other appropriate performance indicator.
- A payment schedule of the financial partners' contributions, including the payments of the FACS grant, must be submitted.

Project follow-up

The public institution or NPO that acts as the proponent will be responsible for compiling information from each member of the consortium and producing the semi-annual scientific progress and financial reports.

An independent supervisory committee will evaluate the achievement of the milestones and anticipated deliverables in the projects selected. Any request to modify the milestones and deliverables must be submitted to the committee for approval. Project funding is dependant on achieving the milestones and deliverables.

The committee may request closer follow-up on a case-by-case basis.

Payment

The FACS payments will be sent to the public institution or the NPO with which the project proponent is affiliated, which will then be responsible for distributing the funds to the partner institutions. Each payment of the FACS grant will be conditional on the CQDM receiving all the requisite documents, including confirmation of payment by the partners of matching funds in accordance with the payment schedule.

Subject to the aforementioned conditions, an initial instalment will be made following the signing of the research agreement to enable the start-up phase of the first six-month period of research. Subsequent payments will be disbursed semi-annually and adjusted according to the actual expenditures incurred and reported by the consortium. An amount representing 5% of the total FACS grant will be withheld until the CQDM has received the end-of-project reports.

TIMEFRAME OF THE REQUEST FOR PROPOSALS

Launch of the request for proposals	June 16, 2020
First information session (webinar)	June 22, 2020, at 10 a.m.
Second information session (webinar)	July 13, 2020, at 10 a.m.
Deadline for submitting short-form applications	**August 19, 2020, at 4 p.m.**
Preselection	September 2020
Invitation to submit a detailed application	September 23, 2020
Deadline for submitting detailed applications	**November 18, 2020, at 4 p.m.**
Evaluation	January 2021
Funding decision	March 2021
Deadline for signing the agreements	June 2021
Project start-up	Between November 18, 2020, and July 1, 2021

ADDITIONAL INFORMATION

Two webinars will be held prior to the deadline for submitting short-form applications to present the RFP objectives and eligibility and selection criteria. They will also afford an opportunity for answering questions. A section dedicated the questions asked will eventually be available on the MEI website (www.economie.gouv.qc.ca/FACS). To register for a webinar, please send an email to: facs@economie.gouv.qc.ca.

APPENDIX 1
Parameters governing the allocation of eligible costs

Sources of funding			Form of the contribution	
			Cash	**In-kind[1]**
Ministère de l'Économie et de l'Innovation (FACS grant): ≤ 50%			√	
Eligible co-funding: ≤ 50%	Private companies: ≤ 35%	Québec SMEs: ≤ 20%	√	√
		Other private companies	√	
	Other eligible sources: ≤ 15%		√	

[1] Cannot exceed 25% of the financing package.
The percentages represent the proportion of the total eligible project expenses, including the applicable ICR.

APPENDIX 2
Evaluation criteria of FACS projects submitted as part of the second call for proposals

Structuring:

- Brings together several public and private stakeholders focusing on a common goal with a lasting impact;
- demonstrates complementary expertise and infrastructure and synergy with other stakeholders in the Québec life sciences ecosystem;
- develops and strengthens Québec's activities and competitive advantages and creates a multiplier effect in the economy;
- accelerates and enhances efficiency in the innovation maturation process through close, interactive collaboration between innovators and stakeholders;
- creates direct, tangible benefits for all project partners and other stakeholders in the Québec life sciences ecosystem.

Innovative and appropriate to the life sciences sector's needs:

- proposed approach is original and novel and/or anticipated outcomes respond to the needs of users;
- initiative is clearly positioned and stands out in the national and international ecosystem;
- proposed approach and/or anticipated outcomes are competitive and demonstrates added value relative to similar existing or emerging initiatives at the national and international level, especially through the co-creation, validation (including the acquisition of the health data necessary for adoption by the markets), and demonstration of the value of the innovations;
- initiative shows potential for public and private use of the deliverables:
    - the health and social services network;
    - private companies;
    - others.

Realistic with a sound development or implementation plan:

- objectives are clear and coherent;
- rationale underpinning the initiative is sound and logical;
- proposed plan is sound, realistic and coherent, including the timeframe, project management plan, budget, and the milestones and deliverables;
- the project generates tangible outcomes applicable at the end of the funding period and beyond;
- the risk analysis is sound;
- all partners are able to carry out the project. Factors considered include financial and human resources components;

- the business plan seeks to eliminate and/or significantly reduce the initiative’s reliance on public financial support beyond the funding period, for example, through income generation.

Quality of the partnerships:

- each partner has appropriate expertise relative to the completion of the project;
- the partners’ contributions are complementary and relevant;
- partners’ roles and levels of participation are appropriate;
- partners’ cash contributions exceed the eligibility criteria;
- partners share intellectual property, risk, and benefits appropriately.

Socioeconomic benefits for Québec:

- direct, tangible short- and long-term benefits are generated for all public and private project partners and all stakeholders in the Québec life sciences ecosystem, through:
  - the enhanced capacity to attract foreign investments;
  - the potential to generate value and/or attract funding for partners and stakeholders:
    - the maturing of technology;
    - the development of new products or services;
    - the optimization of production processes;
    - the creation of intellectual property;
  - the enhancement of research capacity;
  - the contribution to the development of local, flexible production and supply chains;
  - the solidification worldwide of the competitiveness of Québec businesses;
  - market development and increased exports by businesses through solutions and products stemming from the projects;
  - the creation of business opportunities and strategic partnerships;
  - the training, retention, and attraction of highly qualified personnel to Québec;
  - the stimulation of technological entrepreneurship and the spin-off of new firms from the projects supported;
  - the promotion of public research infrastructure, the health and social services network, and the education network;
  - enhanced effectiveness and/or efficiency:
    - healthcare delivery;
    - the health and social services network.

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