



# AUTOMOTIVE SUPPLIER INNOVATION PROGRAM

APPLICANT PROPOSAL GUIDE

[www.Canada.ca/Automotive-Supplier-Innovation-Program](http://www.Canada.ca/Automotive-Supplier-Innovation-Program)

This publication is also available online in HTML at  
[www.Canada.ca/Automotive-Supplier-Innovation-Program](http://www.Canada.ca/Automotive-Supplier-Innovation-Program)

To obtain a copy of this publication in an alternate format (Braille, large print, etc.),  
Please contact: Automotive and Transportation Industries Branch at:  
Email address: [ic.pifsaasip-is-si-ncr-rcn.ic@canada.ca](mailto:ic.pifsaasip-is-si-ncr-rcn.ic@canada.ca)  
Phone Number: 343-291-3554

#### Permission to Reproduce

Except as otherwise specifically noted, the information in this publication may be reproduced, in part or in whole and by any means, without charge or further permission from Industry Canada, provided that due diligence is exercised in ensuring the accuracy of the information reproduced; that Industry Canada is identified as the source institution; and that the reproduction is not represented as an official version of the information reproduced, nor as having been made in affiliation with, or with the endorsement of, Industry Canada.

For permission to reproduce the information in this publication for commercial purposes, please contact:

Web Services Centre  
Industry Canada  
C.D. Howe Building  
235 Queen Street  
Ottawa, ON Canada  
K1A 0H5

Telephone (toll-free in Canada): 1-800-328-6189  
Telephone (Ottawa): 613-954-5031  
Fax: 613-954-2340  
TTY (for hearing-impaired): 1-866-694-8389  
Business hours: 8:30 a.m. to 5:00 p.m. (Eastern Time)  
Email: [ic.info-info.ic@canada.ca](mailto:ic.info-info.ic@canada.ca)

© Her Majesty the Queen in Right of Canada, represented by the Minister of Industry, 2015.

Cat. No: Iu44-98/2015E-PDF  
ISBN: 978-0-660-02450-9

Aussi offert en français sous le titre *Programme d'innovation pour les fournisseurs du secteur de l'automobile — Guide de Programme*

## INTRODUCTION

This guide has been developed to assist in the completion of a Project Proposal for the Automotive Supplier Innovation Program (ASIP) and provides information on the assessment criteria against which Project Proposals will be assessed.

Prior to developing your Project Proposal we recommend that you first read the [Program Details and Criteria](#) as it clearly outlines the objectives of the program and key eligibility criteria. We also recommend that you contact an ASIP Program Officer at 343-291-3554.

As outlined in the Program Guide, priority for funding will be given to small and medium-sized enterprises (firms with either fewer than 500 employees globally OR global revenues of less than \$1 billion). Larger firms may be eligible, but must partner with at least one SME.

A complete submission consists of one electronic version and/or one paper copy. Please submit your Project Proposal online or to the address below:

Automotive and Transportation Industries Branch  
235 Queen Street, 7th floor, East Tower  
Ottawa, Ontario  
K1A 0H5  
Attention: Automotive Supplier Innovation Program  
Email: [ic.asip.pifsa.ic@ic.gc.ca](mailto:ic.asip.pifsa.ic@ic.gc.ca)

Additional information on the Program may be found in the [Program Details and Criteria](#), available at [www.Canada.ca/Automotive-Supplier-Innovation-Program](http://www.Canada.ca/Automotive-Supplier-Innovation-Program) or by contacting the Automotive and Transportation Industries Branch at 343-291-3554 (Fax: 343-291-2481)

### CONFIDENTIALITY:

The Applicant understands that the information provided may be accessible under the *Access to Information Act* ("ATIA"). No commercially confidential information which you submit to us will be disclosed unless otherwise authorized by you; required to be released by law (including ATIA); or required by the Minister of Industry to be released to an international or internal trade panel for the purposes of the conduct of a dispute in which Canada is a party or a third party intervener.

Information on the federal government's *Access to Information Act* is available on the following website: <http://www.laws-lois.justice.gc.ca/eng/acts/A-1/>

Any information in the project proposal that, in the applicant's opinion, is of a proprietary or confidential nature should be clearly marked "Proprietary" or "Confidential" on each relevant item or page or in a statement covering the entire proposal. In addition, the text, Protected B, should be present on each page of the document, preferably in the top right corner of the header.

## **ABOUT THE PROGRAM**

The *Automotive Supplier Innovation Program (ASIP)* is a **five year, \$100 million** program that provides **non-repayable contributions** to support technology demonstration and prototyping activities of Canadian-based suppliers developing innovative products and/or processes in the automotive sector.

ASIP's objectives are to contribute to automotive technology development and demonstration in Canada, foster the competitiveness of the Canadian automotive supply chain, encourage high-value, innovative development activities in the middle phases of the technology development continuum (technological readiness levels 4 through 7, [Annex F](#)) which will position Canadian automotive suppliers, particularly small and medium-sized enterprises (SMEs), to develop the products of tomorrow, maintain high-skilled jobs, and support the Government's environmental, and science and technology agendas.

Projects must meet the Program's Objectives and Assessment Criteria to be eligible for funding.

## **APPLYING TO THE PROGRAM**

### **1. COMPANY INFORMATION**

The information gathered in this section will be used to assess the eligibility of the company within the context of the Program as well as their capability to achieve the stated project objectives.

Note that the applicant will be the legal entity with which the Government of Canada enters into a contribution agreement. The applicant will be responsible for developing, undertaking and managing the project, as well as reporting on results.

Complete the [Application Form](#) found as [Annex A](#) of this document to provide the required information.

### **2. PROJECT INFORMATION**

The information gathered in this section will be used to assess the eligibility of the project proposal within the context of the Program.

#### **Project Overview**

Please provide a brief non-technical description of the proposed project along with details of how it meets the **Assessment Criteria** outlined in [Annex B](#). This short description may be used to publish information about successful applications, along with the applicant's name, project title and amount awarded. Please discuss the feasibility of the project and the likelihood it will result in a new technological capability for the automotive sector.

In addition, please include the additional information that follows. Feel free to submit existing documentation where available.

**Project Plan**

Please provide a project plan that describes the major project activities. This document should outline how you intend to undertake the project including details such as:

- Timelines;
- Gates and milestones; and
- Indicators of success.

**Product or Process Development Plan**

Please provide a technical description of the project.

**Commercialization Plan**

Please provide an outline of the likely market(s) for the product or process being developed, and how you plan to take the product or process through to commercialization.

**Project Budget**

Provide financial information on the project’s costs including the following tables (see [Annex C](#) for Eligible Activities and Cost Principles):

**Table 1: Project Costs Breakdown by Major Activities**

Major Activity (list)	Labour	Materials	Subcontract	Specialized Equipment	Overhead	Total Costs
<b>Total Costs</b>						

**Table 2: Project Costs Breakdown by Government Fiscal Year<sup>1</sup>** (Government fiscal year is from April 1 - March 31)

2015-16	2016-17	2017-18	2018-19	2019-20	Total Costs

**Company Financials**

The information provided in this section will be used to assess whether the applicant has the financial capability to complete the project.

Please attach the company’s most recent annual financial statements (audited if available), and the most recent annual report or audited financial statements of the parent company or principal owner.

**Other Government Funding** : The applicant is required to divulge whether any other federal, provincial or municipal government assistance, other than generally available tax credits, have been requested or received towards the costs of some or all of eligible and supported costs of *this project*. Moreover, the applicant is required to promptly inform the ASIP of any federal, provincial or municipal government assistance towards the project received in the future. The ASIP reserves the right to reduce its investment by the amount of any other government assistance. The ASIP will generally require the company to disclose the basic terms and conditions of any other government assistance.

### **3. CERTIFICATION and AUTHORIZATION**

The Certification and Authorization forms, found as [Annexes D & E](#), must be signed by an appropriate company official and included in the Proposal in order for the proposal to be assessed by the ASIP. Please note: if you have submitted your proposal using the online application form, you do not have to re-submit the Certification and Authorization forms separately.

#### **ANNEX A**

**[Automotive Supplier Innovation Program Application Form](#)**

(PDF Version, 96KB, 3 pages)

## ANNEX B

### ASSESSMENT CRITERIA

The Automotive Supplier Innovation Program (ASIP) provides non-repayable contributions to support technology demonstration and prototyping activities of Canadian-based suppliers focused on demonstrating new technologies in the automotive sector technology readiness levels (TRL) 4 through 7 (stages between basic research and commercialization).

Activities include:

- Developing new and innovative technology, products and process for the automotive sector;
- Undertaking leading edge engineering and design, prototype development and demonstrations;
- Undertaking advanced product testing and validation.

Proposals will be assessed against the objectives of the Program. Please explain the applicability of your project to the following criteria:

#### **i) Innovation:**

- Originality of the proposed project and positioning with respect to industry technology directions;
- Evidence that the project falls within the appropriate stage of technology readiness (TRL level 4-7);
- Degree of alignment with demonstrated clusters of associated expertise; areas of Canadian R&D strength;
- Opportunities for collaboration in the supply chain or with Canadian universities and/or research institutions.

#### **ii) Market Relevance:**

- Degree to which the project is well aligned with the projected needs of the industry;
- Evidence that the technology, or its application, is likely to provide products and/or processes that are new (or substantially enhanced) to the industry;
- Credibility of the product or process development plan leading to eventual commercialization.

#### **iii) Economic Benefits:**

- Evidence that the project would not proceed without federal funding;
- Potential for the proposed technology to create economic advantages for Canada (e.g. jobs, skills, R&D);
- Potential for the project to provide opportunities for spillover benefits, such as increased R&D investment within Canada's automotive supply sector;
- Potential for the innovation to provide opportunities for suppliers to enhance their integration into global supply chains;
- Potential for the new technology to be used/manufactured in Canada.

#### **iv) Environmental Benefits:**

- Expected environmental advantages/benefits.

**v) Science and Technology Benefits:**

- The degree of which the project is aligned with Canada's *Science and Technology Strategy* (creating entrepreneurial, knowledge and people advantages/benefits for Canada).  
<http://www.ic.gc.ca/eic/site/icgc.nsf/eng/00871.html>

**vi) Capability of Applicant/Recipient to achieve stated objectives:**

- Financial resources, management expertise and technical team's experience and expertise to conduct activities.

\* May include other criteria that the Minister deems relevant for consideration of a proposal.



## ANNEX C

### ELIGIBLE ACTIVITIES AND COST PRINCIPLES

#### ELIGIBLE ACTIVITIES

Eligible activities are those which are likely to contribute to achieving objectives of the ASIP, and that would not proceed without federal funding. Eligible activities will include automotive R&D activities (e.g. technology development and demonstration activities), carried out by Eligible Recipients in Canada valued at up to \$20 million. Eligible activities will be classified at technology readiness levels (TRL) 4 through 7 (stages between basic research and product development and commercialization (*See Annex F for TRL scale*)).

Eligible activities mean automotive innovation and R&D initiatives to support technology demonstration and prototyping activities of companies focused on demonstrating new technologies in the automotive sector in Canada.

**Eligible activities** include but are not limited to:

- Developing new and innovative technologies, products and processes;
- Undertaking leading edge engineering and design, prototype development and/or demonstrations; and
- Undertaking advanced product testing and validation.

#### ELIGIBLE COSTS

Eligible costs shall include incremental costs deemed essential for the implementation of the project. Eligible costs are actual costs directly attributable to and necessary for the completion of the project, and are not wholly or partially for another purpose. Eligible costs will be limited to non-recurring costs and will include labour, material, overhead, specialized equipment and other costs which are attributable to the project.

Eligible costs are actual cash outlays that must be documented through invoices or receipts and are subject to verification by an independent auditor. Evidence of payment must be maintained for audit purposes.

#### Categories

**Labour:** Non-recurring labour costs must be directly attributable to the performance of the project. This would include direct salaries, wages and benefits, paid by the applicant, for employees of the applicant working on the project and in proportion to that amount of time spent working directly on the project. For purposes of an audit, the applicant is required to maintain timesheets or appropriate records for all employees working directly on the project in order facilitate verification of time spent on project work.

Note: Ongoing operational and production labour costs are ineligible.

**Specialized Equipment:** The specialized equipment must be necessary for the performance of the project, be described in sufficient detail herein so as to be readily identifiable, and the relevant costs be specified. Specialized equipment may include ancillary systems, instrumentation, or special test

equipment that is purchased, leased, manufactured or otherwise acquired for the purposes of the Project.

**Materials:** Eligible material costs may include materials used for prototypes, for configuring and testing production processes and systems. Note: Materials used for regular production of saleable items are ineligible.

Materials purchased solely for the project or subcontracts shall be charged to the project at the net laid-down cost to the recipient, net of any taxes and before any discounts for prompt payment.

**Sub-contracts:** Eligible subcontract and consulting costs include engineering and design services directly attributable to the project conducted by firms at arms-length to the applicant.

**Overhead:** Eligible overhead costs can be either determined based on the Canada's Revenue Agency's (CRA) Overhead Proxy Rate or on Public Works and Government Services Canada (PWGSC) rates. For overhead costs based on CRA's proxy rate, overhead costs shall be calculated at 65% of the salaries and wages of employees directly engaged in the project, as defined in the Canada Revenue Agency's Scientific Research and Experimental Development (SR&ED) program. For overhead costs based on PWGSC rates, overhead costs shall be determined in accordance with PWGSC 1031-2 Contract Cost Principles.

**Other Direct Costs:** Other eligible costs not falling within the categories of material or labour but that can be specifically identified and measured as having been incurred or to be incurred in performance of project activities.

### **Ineligible Costs**

Notwithstanding that the following costs may reasonably be and properly incurred during the performance of the project, they are considered non-applicable costs to the project. Ineligible project costs shall include, but not be limited to:

- regular maintenance, normal production or operation costs, regular retooling of facilities;
- replacement technology without substantive improvement in productivity and energy efficiencies;
- costs of acquiring, constructing or expanding buildings;
- costs of acquiring land, goodwill, and existing equipment;
- costs associated with the preparation of the ASIP proposal;
- unreasonable compensation for officers and employees;

Consult with an ASIP officer to discuss the eligibility of project activities and related costs.

**ANNEX D**

**CERTIFICATION**

**Name of applicant:** \_\_\_\_\_

I certify that:

- 1) any person who is required to be registered pursuant to the Lobbying Act including consultant and in-house lobbyists, is registered pursuant to that Act. The failure of such person to register under the Act, or the failure of the applicant to disclose this fact to the Minister, either prior to or during the term of the proposed Agreement could result in the following:
  - a) prior to the execution of an Agreement, precludes the offering or signing of an Agreement with Industry Canada and the applicant's file with be closed;
  - b) during the term of an approved Agreement, constitutes a material breach.
- 2) that **(name of applicant)** is in full compliance with all of its / his / her current obligations, financial and otherwise, to the federal government, including obligations pursuant to other contribution agreements. Execution of the proposed project will not prevent **(name of applicant)** from continuing to meet these obligations. These obligations will in no way preclude **(name of applicant)** from fulfilling his / her / its obligations relative to the proposed project;
- 3) that **(name of applicant)** is under no legal obligation or prohibition, nor is the applicant subject to or threatened by any legal action, suit or proceeding which could or would prevent **(name of applicant)** from entering into a contribution agreement with Industry Canada;
- 4) that all employees, officers and contractors and contractor-employees of **(name of applicant)** who have been involved in the preparation of the project proposal or whom **(name of applicant)** intends to assign to work on the proposed project, are either not former employees of the federal Government, or are in compliance with the provisions of the Value and Ethics Code for the Public Service or the Conflict of Interest and Post-Employment Code for Public Office Holders; and
- 5) that I am the **(title of official)** of **(name of applicant)** and am duly authorized to submit this proposal and sign this and all other related documents on behalf of the applicant.

In addition to the certifications provided in respect to parts 1) through 5) above, I, the undersigned, hereby understand and agree with the following:

- 1) The submission of this proposal by the applicant creates no obligation on the part of Industry Canada (IC) to provide funding for the project proposed therein.
- 2) The information contained in this proposal is being collected for the purpose of assessing and reviewing the applicant's eligibility for funding under the ASIP, as such information will be disclosed only to the extent necessary for proposal assessment and review purposes,

including verification of the information submitted as well as program review, statistical purposes and performance reporting.

- 3) All documentation submitted through this application process is subject to the provisions of the *Access to Information Act*. Any financial, commercial, scientific or technical information provided in this proposal will be treated in accordance with the *Access to Information Act*. Information provided may be disclosed to third parties for purposes of assessing the proposal.
- 4) The applicant understands that this proposal is not a letter of offer from IC with respect to any financial contribution and thus creates no obligation on the part of IC to provide funding as per this application or any other funding.
- 5) The information provided in this proposal is to the applicant's best knowledge and belief, accurate and complete.

---

**Signature**

---

**Date**

---

**Print Name**

---

**Title**

**ANNEX E**

**AUTHORIZATION**

**Name of applicant:** \_\_\_\_\_

The applicant hereby consents to the disclosure of any and all information contained in this proposal that is submitted to the Minister of Industry Canada under the Automotive Supplier Innovation Program (ASIP), as well as the disclosure of any and all additional information that the applicant may later provide or that Industry Canada may later obtain through other means relative to this proposal, to other federal government departments or agencies, or other levels of government such as provincial or territorial governments, for purposes of verification of sources of funding for the project described in the proposal. The applicant consents to the disclosure by other federal departments or agencies, or other levels of government of information relating to funding or potential funding of a project of the applicant by any department, agency or government for purposes of their verification of sources of funding for such project.

Despite the foregoing, it is acknowledged that proposals submitted to the ASIP may include confidential information relating to the proposed project and set out in the project proposal's statement of work, as well as confidential information relating to the recipient's business plans. The Minister undertakes to ensure that any public disclosure will respect all legal requirements to protect personal information and third party information.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Title**

ANNEX F

**Technology Readiness Level**

<b>Technology Readiness Level</b>	<b>Description</b>
<b>TRL 1 - Basic principles observed and reported</b>	Lowest level of technology readiness. Scientific research begins to be translated into applied research and development (R&D). Examples might include paper studies of a technology's basic properties.
<b>TRL 2 - Technology concept and/or application formulated</b>	Invention begins. Once basic principles are observed, practical applications can be invented. Applications are speculative, and there may be no proof or detailed analysis to support the assumptions.
<b>TRL 3 - Analytical and experimental critical function and/or characteristic proof of concept</b>	Active R&D is initiated. This includes analytical studies and laboratory studies to physically validate the analytical predictions of separate elements of the technology.
<b>TRL 4 - Product and/or process validation in laboratory environment</b>	Basic technological products and/or processes are tested to establish that they will work.
<b>TRL 5 - Product and/or process validation in relevant environment</b>	Reliability of product and/or process innovation increases significantly. The basic products and/or processes are integrated so they can be tested in a simulated environment.
<b>TRL 6 - Product and/or process prototype demonstration in a relevant environment</b>	Prototypes are tested in a relevant environment. Represents a major step up in a technology's demonstrated readiness. Examples include testing a prototype in a simulated operational environment.
<b>TRL 7 - Product and/or process prototype demonstration in an operational environment</b>	Prototype near or at planned operational system and requires demonstration of an actual prototype in an operational environment (e.g. in a vehicle).
<b>TRL 8 - Actual product and/or process completed and qualified through test and demonstration</b>	Innovation has been proven to work in its final form and under expected conditions. In almost all cases, this TRL represents the end of true system development.
<b>TRL 9 - Actual product and/or process proven successful.</b>	Actual application of the product and/or process innovation in its final form or function.