NEW YORK STATE OF OPPORTUNITY. | Empire State Development

# REQUEST FOR QUALIFICATIONS

## Downstate Semiconductor Chip Design Center

## Addendum #2

### QUESTION AND ANSWER

The following is a list of responses to questions submitted by prospective respondents to the RFA for the NY Ventures Impact Evaluation Study, available here: https://esd.ny.gov/doing-business-ny/requests-proposals/downstate-semiconductor-chip-design-center-rfa

| No. | Question | Answers |
|---|---|---|
| 1. | What is the expected start date for construction? | Applicants should anticipate a contract start date on or around July 2027. In Phase 3 (Full Proposal), applicants are required to submit a proposed timeline that includes major milestones for physically building the Center (construction). |
| 2. | Could you please confirm whether architecture and A/E firms may participate as consultants to an eligible lead applicant or consortium, and whether the architectural/design team is expected to be identified as part of the Phase 1 Concept Paper or only at a later stage? | Architectural and Engineering (A/E) firms may participate as consultants or partners to an eligible lead applicant. Lead applicants must be 501(c)(3) nonprofit organizations, including academic or research institutions. For the Phase 1 Concept Paper, applicants must describe the "Team: Consortia composition and proposal partners," with an emphasis on the overall strategic approach rather than detailed implementation plans. Detailed credentials of staff, past capital project experience, and specific construction timelines will be evaluated in Phase 3 (Full Proposal). |

| No. | Question | Answers |
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| 3. | We would also appreciate any guidance on whether ESD will facilitate connections among potential applicants and specialist design partners during the informational webinar or procurement process. | ESD will not facilitate connections among potential applicants. ESD will post a list of MWBE/SDVOB as well as provide the opportunity for organizations to sign up for a list of interested parties that will published in a future addendum. All communications during the procurement process must follow the designated procurement contacts. |
| 4. | Is there a cost estimate , budget or ballpark figure for the project listed? Is there an actual start date for the project? Could I secure a copy of the plan holders list? | A grant of up to $25 million is available for eligible capital costs and the anticipated contract start date is July 2027. ESD will post a list of MWBE/SDVOB as well as provide the opportunity for organizations to sign up for a list of interested parties that will published in a future addendum. All communications during the procurement process must follow the designated procurement contacts. |
| 5. | How will GC/CM services be procured, and who will manage contractor qualification? | The awarded lead organization will manage the design, construction, development, and operation of the Center. Per Section VIII of the RFA, subgrantee awards and contractor procurement are the sole responsibility of the applicant/awardee. The applicant must ensure that all ESD terms and conditions, of the award flow down to prime construction contractors. |
| 6. | Is there a registration or notification list for future construction opportunities? | Continue to consult the Empire State Development website: https://esd.ny.gov/doing-business-ny/requests-proposals |

| No. | Question | Answers |
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| 7. | Can construction firms participate with applicant teams during the concept stage, and are there any publicly available partnering opportunities? | Construction firms may participate as partners or consultants with an eligible applicant. The lead applicant must be a 501(c)(3) nonprofit organization. Applicants should outline their team composition and proposal partners in the Phase 1 Concept Paper ESD will post a list of MWBE/SDVOB as well as provide the opportunity for organizations to sign up for a list of interested parties that will published in a future addendum. All communications during the procurement process must follow the designated procurement contacts. |
| 8. | Are the September 17 webinar recording, presentation and subsequent Q&A available? | The September 17 presentation has been posted as Addendum #1-Webinar https://esd.ny.gov/doing-business-ny/requests-proposals/downstate-semiconductor-chip-design-center-rfa |
| 9. | Should the scope of the center include quantum semiconductors, semiconductor devices (not necessarily CMOS), and embedded systems? | The RFA broadly covers chip design activity, architecture development, design verification, and pre-manufacturing validation. Applicants are invited to define and justify their technical focus and addressable market needs in their Phase 1 Concept Paper. Quantum-related semiconductor design may be included but the center must also provide substantive support for conventional CMOS-based chip design. Quantum should expand the center's capabilities while preserving its broad semiconductor design mission. |

| No. | Question | Answers |
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| 10. | Does "chip design" include analog, mixed-signal, RF, power devices and power ICs, and design-adjacent activities such as advanced packaging, chiplet integration, and post-silicon test and validation, or is the intended focus digital IC design? | The RFA does not restrict "chip design" exclusively to digital IC design. Section II.A and Section III.B describe the scope as encompassing architecture development, design verification, pre-manufacturing validation, prototyping platforms, measurement and test equipment, power supplies & data acquisition systems, high-performance computing, and EDA software for design, simulation, verification, and layout. Applicants may define their technical scope based on market demand in their concept paper |
| 11. | How and when should industry partners be discussed? Are the companies restricted to NY companies or are NY companies preferred if there is no restriction? | Industry partners should be introduced in Phase 1 under "Team: Consortia composition and proposal partners" and "Value Proposition to Industry and to NYS", and fully detailed in Phase 3 under "Industry Expertise and Partnerships". The RFA does not restrict industry partners exclusively to New York State companies; however, the program emphasizes generating economic growth and strengthening the semiconductor ecosystem within New York State. |
| 12. | Is there a preferred file format for the Concept Paper email submission? | The preferred file format for the concept paper submission is a PDF. |
| 13. | Are there any additional formatting requirements? | The RFA sets specific page limits: Phase 1 Concept Papers must not exceed ten (10) narrative pages. Phase 3 Full Proposals require a 1-page Executive Summary and a minimum 30-page main proposal body. The RFA does not state additional formatting specifications such as font type, font size, margins, or line spacing. |

| No. | Question | Answers |
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| 14. | Are the Procurement Forms and Additional Requirements (COI, 139 J&K, etc.) on p. 11 of the RFA due at the Concept Paper submission stage, Full Proposal submission stage, or contract stage? | These forms are to be submitted with the full proposal. |
| 15. | Can budget costs be used towards the investment on security (for example, CUI and Classified qualification)? Would these be considered soft costs (of which 25% of the budget can cover)? | Grant proceeds are strictly for eligible capital costs (new construction, renovation, machinery/equipment, furniture/fixtures, and soft costs up to 25% related to capital expenditures). Section II.A highlights providing access to "secure design environments" as a program objective. As determined by ESD these costs can be considered soft costs subject to a cap. |
| 16. | Can budget costs be used to support Integrated Circuit (IC) prototype fabrication and/or packaging? Would these be considered soft costs (of which 25% of the budget can cover)? | Grant proceeds are limited to eligible capital costs and associated soft costs up to 25%. Operating and indirect costs are ineligible. |
| 17. | Can budget costs be used to support Electronic Design Automation (EDA) software licensing fees and/or Integrated Circuit Intellectual Property licensing fees? Would these be considered soft costs (of which 25% of the budget can cover)? | Providing shared access to EDA tools and computing resources is a primary program objective. ESD will consider this on a case by case basis upon demonstration that team members/partners are unable to secure via in-kind/cost share commitments to center. |
| 18. | Are architectural, engineering, and permitting fees part of the 25% soft-cost allowance, and what else counts as a soft cost? | Section II.C permits "Soft costs of up to twenty-five percent (25%) of costs related to the eligible capital expenditures". Architectural, engineering, and permitting expenses directly related to eligible capital projects typically fall under soft costs. The RFA does not provide an exhaustive itemized list of all eligible soft costs, but explicitly prohibits developer fees, in-kind costs, and general overhead/indirect costs (salaries, rent, marketing, application costs). |
| 19. | Are foundry and multi-project-wafer (MPW) shuttle fees for prototype fabrication eligible capital costs? | Foundry and multi-project-wafer (MPW) shuttle fees for prototype fabrication are not eligible capital costs. |

| No. | Question | Answers |
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| 20. | Can the Center operate as a hub-and-spoke or multi-site model (for example, a primary facility plus a satellite node in New York City), provided all sites are in the eight downstate counties? | Section II.A defines "Downstate" as Putnam, Dutchess, Orange, Rockland, Westchester, Nassau, Suffolk, and the five boroughs of New York City, and notes that the Center may involve multiple partners and existing or new structures. Section III.B asks applicants to explain how the location maximizes participation and whether services will be available virtually. The RFA does not prohibit a hub-and-spoke or multi-site model provided all physical locations and grant funding fall within the defined downstate region. |
| 21. | Can an institution participate as a partner on more than one consortium application, or as a partner on one and lead on another? | An institution cannot be a lead applicant for more than one application. |
| 22. | Can you please clarify what is meant by the “The Proposal: Win Themes for the proposal” on p.6 of the RFA that must be included in the Concept Paper? | "Win Themes for the proposal" is listed in Section III (Phase 1) as one of the required narrative elements of the 10-page Concept Paper. The RFA does not explicitly define the term; in procurement context, "Win Themes" represent the core strategic strengths, key differentiators, and compelling value drivers that demonstrate why the applicant's proposed Center is best suited to achieve ESD's objectives. |
| 23. | Is the deadline for the Concept Paper 2pm or 4pm on 10/26/2026? The RFA says both. | The RFA deadline for the Concept Paper is 4pm on 10/26/2026 |
| 24. | Where can we find the required State Finance Law Sections 139J and 139K forms? This link to these forms in the solicitation is inactive: https://esd.ny.gov/CorporateInformation/Data/RFPs/RequiredForms/SF_Law139_JK.pdf | A recent change to ESD’s website caused the location of the file to move. We apologize for any inconvenience. The form can be found at: https://esd.ny.gov/sites/default/files/media/document/SF-Law139-JK-2025.pdf |

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| 25. | Can you confirm that the budget may not include any Indirect Costs at all or does the ESD only prohibit the specific Indirect Costs listed in the RFA? | Per Section II.C of the RFA, grant funding is strictly limited to eligible capital costs. "Overhead and indirect costs" are explicitly listed as ineligible expenses. The RFA notes that prohibited indirect costs include, but are not limited to: salaries and wages, rent/lease costs, marketing or advertising media costs, and application preparation costs. Indirect costs cannot be charged to this grant. |
| 26. | How many years of funding would the $25 million cover? Is the entire $25M meant to be spent over the course of the 3-year operating and capital proforma required in the full proposal? | The grant provides up to $25 million for capital costs. Phase 3 (Full Proposal) requires a 3-year operating and capital proforma. Grant funds are disbursed on a reimbursement basis as capital milestones are achieved, and performance reporting and recapture terms apply for five (5) years following project completion. The RFA does not mandate that the full $25 million capital disbursement be drawn strictly within a 3-year window, provided spending aligns with approved capital project milestones. |
| 27. | Where can we find the 3-year operating and capital proforma spreadsheet (exhibit 1, p.8 of the RFA)? | The Exhibit 1 spreadsheet template is required for Phase 3 (Full Proposals). It is not embedded within the narrative text of the RFA PDF. The template will be provided to applicants selected to advance to Phase 3. |
| 28. | Does ESD require formal institutional commitments to fund staffing and ongoing operations at the concept-paper or full-proposal stage? If so, what documentation and duration of commitment are expected? At what stage of the competition should such support be included? | Phase 1 Concept Papers emphasize high-level strategic approach, value proposition, and team composition. Long-term operational and financial sustainability plans—including details on how Center operations will be supported financially and programmatically, as well as the 3-year operating proforma—are required in Phase 3 (Full Proposal). Formal documentation of ongoing operational support and partner commitments should be included in Phase 3. |

| No. | Question | Answers |
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| 29. | Given the award is entirely for capital costs, who would be most appropriate to serve as the PI/PD? A member of University executive leadership (Pres, Prov, VPRI, VP for facilities, Dean) or a technical lead (faculty lead, Chair, Dean)? | Applicants are evaluated on the experience, capacity, and credentials of the proposed leadership and staff to execute the scope of work and manage the Center (Section III.B & Section IV). Applicants may determine the leadership structure that best demonstrates organizational readiness. |
| 30. | Can you confirm that the budget may not include any Indirect Costs at all or does the ESD only prohibit the specific Indirect Costs listed in the RFA? | Per Section II.C of the RFA, grant funding is strictly limited to eligible capital costs. "Overhead and indirect costs" are explicitly listed as ineligible expenses. The RFA notes that prohibited indirect costs include, but are not limited to: salaries and wages, rent/lease costs, marketing or advertising media costs, and application preparation costs. Indirect costs cannot be charged to this grant.[M |
| 31. | How many years of funding would the $25 million cover? Is the entire $25M meant to be spent over the course of the 3-year operating and capital proforma required in the full proposal? | The grant provides up to $25 million for capital costs. Phase 3 (Full Proposal) requires a 3-year operating and capital proforma. Grant funds are disbursed on a reimbursement basis as capital milestones are achieved, and performance reporting and recapture terms apply for five (5) years following project completion. The RFA does not mandate that the full $25 million capital disbursement be drawn strictly within a 3-year window, provided spending aligns with approved capital project milestones. |
| 32. | Can we get a list of those who attended last week's webinar? | ESD will not facilitate connections among potential applicants. ESD will post a list of MWBE/SDVOB as well as provide the opportunity for organizations to sign up for a list of interested parties that will published in a future addendum. All communications during the procurement process must follow the designated procurement contacts. |