# REQUEST FOR PROPOSALS

<table>
<thead>
<tr>
<th>Title:</th>
<th>Due:</th>
<th>Contact:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Resources Innovation Cluster Program Manager Contractor RFP</td>
<td>June 21, 2023 No later than 5p.m. PST</td>
<td>Colleen McAleer Executive Director 360.461.2218 <a href="mailto:CMcAleer@clallam.org">CMcAleer@clallam.org</a></td>
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</tbody>
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## SCHEDULE

<table>
<thead>
<tr>
<th>Date</th>
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<tbody>
<tr>
<td>06/07/2023</td>
<td>Public announcement of Request for Proposals</td>
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<tr>
<td>06/21/2023</td>
<td>Proposals Due no later than 5pm PST</td>
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<tr>
<td>On or before 06/30/2023</td>
<td>Selection of Consultant and Negotiation of Specific Terms</td>
</tr>
<tr>
<td>05/30/2024</td>
<td>Contract Closed Out</td>
</tr>
</tbody>
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*NOTE: Dates as indicated are best estimates for informational purposes only.*
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SUBMITTAL INSTRUCTIONS

Electronic submittal: Submit one (1) electronic proposal and any required attachments, the Submittal Packet first page shall be digitally signed by an authorized representative of the proposer. For easy identification, please list “Natural Resources Innovations Center (NRIC) RFP” in the subject line of the email. Electronic submittals shall be sent to CMcAleer@Clallam.org and must be received by the proposal’s due date referenced on the cover page.

Proposals shall contain all required information as defined herein and be submitted to the Clallam County Economic Development Council electronically no later than the date, time, and place as stated on the cover page of this RFP or as amended. Proposals will not be accepted in any format other than as required above. Late proposals will not be accepted and will be returned to the proposers unopened.

Proposers shall be fully responsible for any and all costs incurred in the preparation and submittal of their proposals.

PROJECT OVERVIEW

The Clallam County Economic Development Council (“Clallam EDC”) is soliciting proposals from experienced individuals or firms (“Proposer” or “Proposers”) interested in providing Program Management support for the Natural Resources Innovations Center (NRIC), a program sponsored by the Clallam EDC. This individual is to be known as the NRIC Program Manager.

BACKGROUND

This solicitation is meant to select a contractor to fulfill the role of program management support (i.e., “Program Manager”). The Clallam EDC is soliciting proposals from contractors interested in developing actionable strategies for achieving the regional vision to become the Pacific Northwest Hub for forest product technology development and deployment to support an industry-led natural resources cluster known as the Natural Resources Innovations Center (hereafter referred to as “NRIC”).

The Clallam EDC will evaluate responses based on how well the consultant would support the overall NRIC cluster within a larger industry and entrepreneurial ecosystem and, thus, benefit from a range of expertise and support.

As envisioned, the Natural Resources Innovation Center (NRIC) will foster the development and application of applied research to maximize the value of natural resource-based products while minimizing waste. NRIC’s current configuration focuses on sustainably managed forest products. However, NRIC, will be the catalyst for additional and new innovations in the economic use of natural resources.

There are two separate components of to the work the Program Manager will conduct. The first area of work is funded through the grant described below from the EDA and the WA State Dept of Commerce. The second area of work is not grant funded and is described in a secondary scope of work.
below.
For further explanation regarding the Program Management scope of work the Clallam EDC application submitted to the Department of Commerce for the ICAP Launch for a Natural Resources Innovation Center (NRIC) is attached as Exhibit 1.

**DESIVED PROPOSAL**

The Clallam EDC desires a two-part proposal that provides a single point of contact for professional services that are tracked hourly. The consultant should be able to provide the services described in the two-part scope of work described below and identify an approximate number of hours of availability monthly for each part of the scope of work. An associated hourly rate will be provided for the work. **The total will not exceed $100,000.**

**Two-Part Scope of Work**

**Part 1: Federally Funded Grant Component - $50,000:**
The Clallam EDC was awarded a contract from the Washington State Department of Commerce Innovation Cluster Accelerator Program (ICAP) Launch. The purpose of this work is to recruit and empower cluster membership, form and grow the supply chain alliance, coordinate with industry CEOs and foster cross-sector collaboration to ultimately grow and leverage the Olympic Peninsula professional and technical workforce, local and entrepreneurial businesses to expand their network and collaboration across the state. **These funds from the Dept of Commerce and Economic Development Administration (EDA) were awarded under Federal Award Identification Number (FAIN): ED22SEA3070009 and Washington State Department of Commerce Office of Economic Development and Competitiveness Contract Number 22-7810C-005.**

1. The Clallam EDC requires a Program Manager to be responsible for assembling a core team comprised of the NRIC Program Manager, the Executive Director of the Clallam EDC, the Executive Director of EDC Team Jefferson.
2. The Program Manager will also help identify and convene an Ecosystem team beyond the Core Team.
   a. The Ecosystem Team includes key representatives from industry, entrepreneurs, government, academia, and investors, as relevant to the Olympic Peninsula’s natural resource’s ecosystem.
   b. The Program Manager will further develop this team over the course of the Launch performance period (June 2023 – May 30, 2024).
3. The Program Manager will actively participate in Launch activities as directed by the Clallam EDC Executive Director. These activities will include at a minimum:
   a. Launch activities that include a combination of COMMERCE-led, in-person and virtual meetings, workshops, and strategy sessions, as well as work led by the NRIC Core Team.
   b. Four virtual 4-hour workshops covering various topics related to innovation cluster strategy (facilitated by COMMERCE).
   c. Four in-person or virtual 3–4-hour strategy sessions with NRIC Core Team and the NRIC Ecosystem Teams scheduled quarterly at a mutually agreed upon date and time. (Facilitated by COMMERCE with support from Core Team).
d. Quarterly virtual meetings to discuss progress and plan strategy sessions (NRIC Program Manager, relevant Core Team members, COMMERCE).

e. Work throughout the contract period to engage and convene ecosystem partners, build relationships, and develop strategy outside of the formal program scheduled sessions (Facilitated by Core Team with Ecosystem Team participation).

4. In partnership with the Core Team Members, the Program Manager will identify critical technologies and innovative processes that should be considered as key elements for the NRIC Ecosystem Team to integrate into industry work processes. Examples include but are not limited to:
   a. Awareness of residual resource availability to minimize waste through easily accessible technology platforms.
   b. Exploration of remote sensing capabilities applied to forest resources on public and private lands.
   c. Applications using materials such as recycled carbon fiber to improve material characteristics of housing products.

Part 2: Clallam EDC Funded Work Component – $50,000:
The second component of the scope of work will include the planning and execution of establishing a 501C6 membership-driven nonprofit organization that is comprised of timber and forest industry members, local governments, and nonprofits in Clallam and Jefferson Counties primarily. A 501c(6) nonprofit organization is an association that promotes higher business practices, better business methods and establishes integrity within an industry. Although they may benefit specific businesses, they do not make a profit for themselves or their board members.

This secondary scope of work will include participating in and helping to manage a team that will write federal grants that strive to improve the overall Olympic Peninsula economy and infuse innovation and new technologies into the legacy industries of timber production and management. Additionally, the Program Manager will attend meetings, review content, create presentations, and work with NRIC’s Core Team on communications and press releases.

CONTRACT LENGTH

This contract and any renewal must terminate no later than 05/30/2024. Part 1 funding cannot be extended. Consideration may be given to continue Part 2 of the contract under another instrument that is funded through the EDC.

PROPOSAL SUBMITTAL REQUIREMENTS

To ensure that all information provided is properly evaluated, please organize and label proposals in the structure provided below. Submittals shall not exceed ten (10) pages total including all required components; proposer(s) will not be graded upon the length of their proposal or effort to reach the 10-page maximum. Proposer(s) are encouraged to focus on quality and brevity in their proposal.

Proposals (submittals) shall include, at a minimum, the following:
1) **Transmittal Letter with Original Signature**: A cover letter generally outlining the proposer’s ability to perform the services outlined in this RFP, signed by an authorized individual representing the Proposer’s firm in contractual obligations.

2) **Proposed Monthly Hours to complete both scopes of work and Hourly Rate**: Proposer shall provide their desired consultant services rate to provide all services referenced in this RFP for the relevant period using the table below:

<table>
<thead>
<tr>
<th>Month</th>
<th>Hours Available for Part 1 - Scope of Work - ICAP Launch</th>
<th>Hours Available for Part 2 - Scope of Work – NRIC Org &amp; Fed Grant Support</th>
<th>Monthly Hourly Total</th>
<th>Hourly Rate</th>
<th>Monthly Total</th>
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<tr>
<td>July 2023</td>
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3) **Proposed Scope of Work**: Proposer shall provide a more detailed overview of the method and strategy they intend to employ in fulfilling the needs of the Clallam EDC as described in the ‘Desired Proposal’ section.

4) **Licensing**: A Unique Entity Identifier (UEI) number obtained from Sam.gov and Unified Business Identifier (UBI) number issued by Dor.wa.gov will be required prior to contract execution with Clallam EDC. Clallam EDC staff will provide assistance in obtaining these registrations if requested.

5) **Debarment Statement**: Proposer must not be debarred, suspended or otherwise ineligible to contract with the Clallam EDC. Applicant shall show proof they are not debarred to contract with the
federal government. The proof is obtained through Sam.gov. The Clallam EDC will help obtain proof the applicant is not on the debarment list if requested.

6) **Statement affirming the contractor will not receive duplicative reimbursements:** The Program Manager may not be reimbursed by multiple funders for the same cost (double-dipping). No duplicate payments or supplanting of other costs are allowed.

7) **Ability to Contract:** Proposer shall have the ability to negotiate a contract with the Clallam EDC based on the exceptions/changes requested to the Pro-Forma Agreement outlined in Part 2 of the Scope of Work.

8) **Experience:** List the Proposer’s top three (3) business references for the type of work most relevant to the content of this RFP. Listing for each reference should provide the references business name or d.b.a., lead staff contact, staff contact phone, staff contact email, and a short description of the services rendered.

9) **Legal Action:** Disclose any current or recent (within past five years) legal action in progress or taken against the firm or individuals.

10) **Disclosure:** List all business transactions and relations within the past five years that may create or be perceived to create a conflict of interest. Any business dealings or recommendations of a product or firm that may conflict with this project shall be disclosed.

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### EVALUATION CRITERIA

<table>
<thead>
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<th>Criteria</th>
<th>Value</th>
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<tr>
<td>Transmittal Letter with Original Signature</td>
<td>10%</td>
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<tr>
<td>Proposed Rate</td>
<td>10%</td>
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<tr>
<td>Proposed Scope of Work</td>
<td>50%</td>
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<tr>
<td>Licensing (Does the business have applicable licenses – UEI &amp; UBI or provide complete application to obtain?)</td>
<td>Y or N</td>
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<tr>
<td>Ability to Contract (Is the proposer and their business able to contract during the period?)</td>
<td>Y or N</td>
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<tr>
<td>Experience</td>
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<tr>
<td>Legal Action (Does a legal action exist?)</td>
<td>Y or N</td>
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<tr>
<td>Disclosure (Does a conflict exist?)</td>
<td>Y or N</td>
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1) The Clallam EDC may choose to invite one or more of the proposers to demonstrate their solutions or interview with the Clallam EDC.

2) The Clallam EDC reserves the right to award a contract with the single highest rated proposer without preceding interviews or demonstrations.

3) Ownership of Material - Ownership of all data, materials, and documentation originated and prepared for the Clallam EDC pursuant to the RFP shall belong exclusively to the Clallam EDC and be
subject to public inspection after award by the Commission in accordance with the Washington State Public Records Act (RCW 42.56). Trade secrets or proprietary information submitted by the Respondent shall not be subject to public disclosure under the Public Records Act, unless otherwise required by law or a court. However, the Proposer must invoke the protection of the Public Records Act, in writing, either before or at the time the data or other material is submitted. The written notice must SPECIFICALLY identify the data or materials to be protected and state the reason why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line-item prices, and/or total proposal prices as proprietary, or trade secrets, is NOT ACCEPTABLE and may result in REJECTION of the proposal.

4) With regard to submittal of a proposal (individually and collectively referred to as “response”), the proposer agrees to and hereby waive any and all claims it has or may have against the Clallam EDC, and its director’s, persons, officers, commissioner’s, committee’s, employees, or agents arising out of or in connection with (1) the administration, evaluation, or recommendation of any response; (2) any requirements under the solicitation, the RFP, or related documents; (3) the rejection of any response or any part of any response; (4) waiver by the Clallam EDC of any technicalities in the RFP package or any response; (5) waiver or change in any non-material provision of the RFP solicitation package or materials that do not adversely and specifically affect the previously submitted response; and/or (6) the award of a contract, if any.

5) The Clallam EDC reserves the right to reject any or all responses, to waive any irregularities and/or technicalities in response received or not award. The Clallam EDC, in its sole discretion, will determine whether any or all the responses are responsive and reserves the right to make a determination as to whether any one or more Proposals are qualified. The submission of a response to this RFP is an offer by the Proposer to contract only and does not constitute a contract. There will be no contractual obligations on the part of the Clallam EDC to any Proposer, nor will any Proposer have any property interest or other right in the contract unless and until all terms of the contract have been agreed upon by the Clallam EDC, including, without limitation, all provisions of the contract have been negotiated to the satisfaction of the Clallam EDC; the contract is unconditionally signed by the Clallam EDC and the selected Proposer the contract is delivered by all parties; and all conditions to be fulfilled by the Proposer prior to contracting have either been fulfilled by the Proposer or waived in the writing by the Clallam EDC.

**RFP QUESTIONS AND CLARIFICATIONS**

Questions shall be submitted to the Clallam EDC by email to: Cmcaleer@clallam.org no later than the date and time referenced in the Schedule on the title page. Please reference the “Natural Resources Innovations Center (NRIC) RFP” in the subject line when submitting questions via email.

Oral questions will not be answered. Questions must be in written form, by email. To the extent any oral questions are answered, those answers will be considered non-binding. An addendum to this RFP
may be issued by the Clallam EDC as a result of the questions generated under this competitive solicitation to all plan holders.

ADDENDA

If at any time, the Clallam EDC changes, revises, deletes, clarifies, increases, or otherwise modifies the RFP, the Clallam EDC will issue a written addendum to the RFP. Proposer must register for this RFP to be notified of addendum and new documents on this RFP. It is the Proposer’s responsibility to check for addenda and other new documents on-line.

SUBMITTAL EFFECTIVE DATE

The submittals shall remain in effect for 180 days after the RFP due date, unless extended by mutual agreement between the Clallam EDC and the applicable proposers.

DEBRIEF PROCEDURES

After award, submitters may contact the Clallam EDC to request a phone or in person debrief conference.

INSURANCE REQUIREMENTS AND INDEMNIFICATION

Evidence of financial stability and credit worthiness; ability to meet Clallam EDC's insurance requirements is mandatory. The contractor is required to carry commercial general liability insurance in the amount determined by the contractor to be adequate to cover the activities outlined in the subcontract. The insurance and contract terms will be covered during contract negotiations.

Clallam EDC, Commerce and the State of Washington will not be liable for claims or damages arising from the Program Manager’s performance.

TITLE VI (FEDERAL) NON-DISCRIMINATION

The Clallam EDC assures that no person shall on the grounds of race, color, national origin, or sex as provided by Title VI of the Civil Rights Act of 1964, as amended, and the Civil Rights Restoration Act 1987 (P.L. 100.259), be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any Clallam EDC sponsored program or activity. The Clallam EDC further assures every effort will be made to ensure nondiscrimination in all of its programs and activities, whether those programs and activities are federally funded or not.

CLALLAM EDC NON-DISCRIMINATION

By signing and submitting a response to this RFP, the proposer (firm or individual) certifies that, in the event it is awarded a contract under this competitive solicitation (i.e., becomes the “successful
proposer”), and as of the date of contract award, it shall comply with the “Anti-Discrimination Clause” provided below:

Non-discrimination. Clallam EDC complies with applicable federal civil rights and Washington state civil rights laws and does not discriminate on the basis of race, color, national origin, religion, sex, families with children, marital status, honorably-discharged veteran or military status, sexual orientation, age, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability, in the administration of its programs and activities.

The Vendor shall comply with the substantive requirements of RCW 49.60, which are incorporated herein by this reference. Execution of this Agreement constitutes a certification by the Vendor of the Vendor's compliance with the requirements of Chapter RCW 49.60. If the Vendor is found to have violated this provision, or to have furnished false or misleading information in an investigation or proceeding conducted pursuant to this Agreement or Chapter RCW 49.60, this Agreement may be subject to a declaration of default and termination at the Clallam EDC's discretion. This provision shall not affect the Vendor's obligations under other federal, state, or local laws against discrimination.

OTHER PUBLIC AGENCY ORDERS

The Washington State Interlocal Cooperative Act, RCW 39.34, provides that other governmental agencies may purchase goods or services on this RFP or contract in accordance with the terms and prices indicated herein if all parties agree. The Clallam EDC does not accept any responsibility or involvement in the purchase orders or contracts issued by other public agencies.
Exhibit 1

Clallam EDC application submitted to the Department of Commerce for the ICAP Launch for a Natural Resources Innovation Center (NRIC)
ICAP LAUNCH Proposal to RFP No. ICAP-1-2023

3.1 Certifications and Assurances and Letter of Submittal

April 2, 2023

Letter of Submittal

The Clallam County Economic Development Council is excited to submit our proposal for a Natural Resources Innovation Cluster. If selected, we will partner with EDC Team Jefferson, who would have their Executive Director, Cindy Brooks, serve on the Core Team. Cindy’s resume is attached.

A. Name – Clallam County Economic Development Council
   Address – PO Box 1085, Port Angeles, WA 98362
   Principal place of business – 338 W. First St., Suite 105, Port Angeles, WA 98362
   Telephone number – 360.457.7793
   E-mail address of legal entity or individual with whom contract would be written: Cmcaleer@clallam.org

B. Clallam EDC Principal Officers:
   Chair of Board of Directors: Terry Ward, Vice President, Sound Publishing, 305 W. First St., Port Angeles, WA 98362, 312.572.9273
   Vice Chair of Board of Directors: Sean Worthington, General Manager, Clallam PUD, 104 Hooker Rd., Sequim, WA 98382, 360.565.3240
   Secretary of Board of Directors: Dr. Suzy Ames, President, Peninsula College, 1502 E Lauridsen Blvd., Port Angeles, WA 98362, 206.369.6137
   Treasurer of Board of Directors: Andra Smith, Executive Director, Sequim Food Bank, 144 W. Alder St., Sequim, WA 98382, 830.570.2521


D. Federal Employer Tax Identification number: 91-1167253
   Washington Uniform Business Identification (UBI) number: 320001783

E. Location from which the Proposer would operate: 338 W. First St., Suite 105, Port Angeles, WA 98362

F. Identify any state employees or former state employees employed or on the firm’s governing board as of the date of the proposal. No state employees serve on the Clallam EDC’s Board of Directors. None of our current 21 Board Directors have ever been a state employee.

G. We would like to be considered for Cohort 2 if that will not harm our ability to be considered for Cohort 1 Capacity Building Funding.

Sincerely,

Colleen McAleer
3.2 Technical Proposal – Natural Resources Innovation Center

A. Clallam County Community and Industry

1. The sustainable use, processing, and sale of finished products derived from natural resources in Clallam County is the industry for this proposed emergent cluster. As envisioned, the Natural Resources Innovation Center (NRIC) will foster the development and application of innovations that maximize the value of natural resources-based products while minimizing wastes. NRIC’s current focus is on sustainably managed forest products. However, NRIC will be the catalyst for additional innovations in the economic use of other renewable natural resources.

Figure 1 illustrates how NRIC can stimulate and direct natural resource flows through the local economy. In its current configuration, the Composite Recycling Technology Center (CRTC) will serve as the innovation hub. CRTC designs, engineers, and produces products using recycled carbon fiber composite materials.

![Diagram](image)

**Thinking About Sustainable Innovative Pathways and Prosperity for Prime Age Workers and Our Youth**

<table>
<thead>
<tr>
<th>Value Added = Jobs + Wages</th>
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<tbody>
<tr>
<td><strong>Makah Tribe</strong></td>
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<tr>
<td>30,000 acres of Sustainably Managed Forests</td>
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<tr>
<td>Mill &amp; Kiln</td>
</tr>
<tr>
<td><strong>CRTC</strong></td>
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<tr>
<td>Advanced CLT Building Panels</td>
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<tr>
<td>Near Term 1-2 Years</td>
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<tr>
<td><strong>Engineered Homes</strong></td>
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<tr>
<td>Military (existing)</td>
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<tr>
<td>Homeless (existing)</td>
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<tr>
<td>ADU (proposed)</td>
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<td><strong>Intermediate Term (2-7 Years)</strong></td>
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<td>Humisol, Biochar</td>
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<td><strong>Long Term (7-15 Years)</strong></td>
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<td>Hydrogen, CNMs</td>
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<td><strong>New Innovative Products</strong></td>
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<td>Carbon Sequestration + Substitutes for Carbon Intensive Materials + Soil Amendments+ Housing Solutions + Green Energy + Local Prosperity</td>
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Figure 1: Envisioning the Natural Resources Innovations Center and its impacts.

The figure illustrates how NRIC will build upon existing interrelationships in the local economy. The process begins with the harvest of western hemlock from Makah Tribal Forests. The Makah and the CRTC have entered into a partnership that is constructing a kiln and saw mill in Neah Bay to process approximately 2,000,000 board feet a year of sustainably harvested timber from Tribal Forests. The lumber will be dried and milled for use by CRTC. Previously, that wood was exported as raw logs. This innovation process creates value added to support jobs at good wages in Neah Bay. This near-term innovative sequence should be completed and in operation within one year, with additional milling and sales contracts developing in year-two.

The CRTC will use that lumber to produce Advanced Cross Laminated Timber (ACLT) building panels. An ACLT consists of three layers of laminated wood. Structural strength is increased by adding bars of recycled carbon fiber composites so that a 3-layer lamination has the strength of a 5-layer wood lamination. Thus, the ACLT increases the quantity of building materials from the same volume of wood.
Furthermore, the panels are configured for interlocking assembly. Their light weight and smaller panel size, eliminates the need for heavy machinery in the assembly and construction process, saving time, energy, and money. This also reduces the capital required to build a full-scale panel manufacturing facility by approximately 30X.

At present, the CRTC has a contract with the US Military to test the structural characteristics of ACLT, with the goal of using these panels for a variety of construction applications, including military housing. Engineering programs at the University of Washington and Washington State University are working closely with the CRTC to assist in the testing and development. The move from testing to commercial production and application is envisioned as near-term outcomes, with significant market penetration in the next 2 to 5 years. The CRTC also has a contract with the local “Pennies to Quarters” program that is working to assemble engineered homes to provide housing for homeless veterans in Clallam County.

In addition to military housing and temporary shelters for the unhoused, the third near-term outcome will be developing engineered homes to serve as ADUs. A 250 to 400 sf home can be assembled in 3 to 5 days. The lack of affordable housing is the number one challenge confronted by residents and employers in Clallam County. The City of Port Angeles changed their zoning to allow ADUs on residential lots. In addition, they anticipate allowing the assembly of pre-approved structures to simplify permitting. It is anticipated that this innovation will lead to larger scale manufacturing of engineered housing not only for use in Clallam County, but as exports to help solve the state-wide housing crisis. Resources provided by LAUNCH will help propel these innovations forward.

The analysis above illustrates how NRIC will use sustainably harvested wood to produce advanced engineered building products in the near-term, creating employment opportunities for people in the Neah Bay region and in and around Port Angeles. However, NRIC can do significantly more by building upon relationships between numerous businesses in the area. The Sustainable Green Team (SGTM) has purchased mills located in Beaver and Forks. In addition to producing dimensional lumber, SGTM is investing in materials to produce Humisoil from organic waste materials, including slash and saw dust. By adding a patented biological process, those waste materials are transformed into a product that, when applied as a soil amendment, provides long-term soil enrichment and serves as a catalyst that adds water to the soil. Unlike composting of organic wastes, the production of Humisoil does not release methane or carbon dioxide. NRIC will also develop an inventory of currently discarded materials by local businesses, government, and tribes. That inventory will make possible movement of waste materials, currently disposed of at cost or naturally decomposing in forests and farms, to manufacturers who can use them as lower cost material substitutes in production. The benefits will be new jobs at good wages for SGTM employees, a stronger profit margin for current employers that will help to protect the highest paying manufacturing jobs in Clallam County, a reduction in total truck miles on Washington highways currently necessitated by waste disposal, and other innovative uses of waste materials not yet know.

Each of the near-term and intermediate-term innovations described above have high probabilities of success, which led First Fed Bank to join the Ecosystem Team. However, we can envision additional innovations. One example for the long term (7-15 years) is the production of Biochar, which can capture and sequester carbon and serve as a soil amendment. Hydrogen can be stripped from the synfuel by-

1 EDC Community Survey and EDC Employer Survey, Clallam EDC 5-Year Plan, “Economic Development in Clallam County, When Prosperity Matters”
2 https://www.thesustainablegreenteam.com/
product. That hydrogen can be used to power fuel cells, which have application as sources of micro-grid electricity to provide resilience to the extant power distribution grid. It can also serve as the fuel source for fuel cell EV Clallam Transit buses. The second can consist of applications of Cellulose Nano Materials (CNMs), which are being tested in commercial products ranging from health care to concrete building materials. The CRTC’s relationships with the University of Washington and Washington State University can be expanded so that commercially viable products could be produced near the material sources and then exported. LAUNCH will make possible pursuit of these innovations.

Table 1 provides a summary of the current and projected employment levels expected in the near and intermediate term. The Makah Tribe currently has 23 employed in forest operations, projected to increase by 11 in the near term. CRTC has 32 employees and projects to double employment in the near term. McKinley Paper employs 195 people. NRIC’s proposed waste inventory system, by securing local materials for McKinley and thereby reduce the need for long haul material imports, will improve their profit margin helping to retain this employer and its substantial contributions to the local economy. Evergreen Fibre, a subsidiary of Hermann Brothers Logging and Construction employs 9. As an Ecosystem Team member, Evergreen Fibre will help to identify innovations that can lead to additional local production and employment, which may be at their facilities.

### Table 1: Current and projected near-term employment by employers in the NRIC cluster.

<table>
<thead>
<tr>
<th>Employer</th>
<th>Employees</th>
<th>Sustainable Innovation Focus</th>
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</thead>
<tbody>
<tr>
<td>Makah Tribe</td>
<td>23</td>
<td>Harvesting Western Coastal Hemlock on Tribally Owned Lands</td>
</tr>
<tr>
<td>CRTC</td>
<td>32</td>
<td>Development of Advanced Cross Laminated Timber Panels for Military &amp; Shelters</td>
</tr>
<tr>
<td>McKinley</td>
<td>195</td>
<td>Recycling Cardboard &amp; Clean Energy Generation</td>
</tr>
<tr>
<td>Evergreen Fiber</td>
<td>9</td>
<td>Bioenergy &amp; Materials</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employer</th>
<th>New Employees</th>
<th>Planned Sustainable Innovation Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makah Tribe</td>
<td>11</td>
<td>Harvesting &amp; Milling Western Coastal Hemlock on Tribally Owned Lands</td>
</tr>
<tr>
<td>CRTC</td>
<td>32</td>
<td>Manufacture of Advanced CLT Panels</td>
</tr>
<tr>
<td>Sustainable Green Team</td>
<td>30</td>
<td>Collection of local organic materials to create Humisol®</td>
</tr>
<tr>
<td>Present &amp; Near-Term Total</td>
<td>332</td>
<td></td>
</tr>
</tbody>
</table>

2. The Forest Products Cluster supports 870 employed people and 149 proprietors, with average annual wages of $81,953 and $53,087 respectively. In addition, 386 jobs and 155 proprietors are supported in the supply chain at average annual wages of $70,594 and $43,861 respectively. The products produced reduce carbon dioxide emissions by substituting sustainably grown timber for carbon intensive building products like concrete and steel. As discussed above, innovations are expected to provide significant additional environmental benefits. The products discussed will, in addition, help to solve Washington State’s housing crisis.

3. Clallam County has a population density of 44.64 people per square mile qualifying as rural.

4. No.

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3 Hermann Brothers has a sustained record of innovations in the forest products industry.


5 [Population density and land area criteria used for rural area assistance and other programs | OFM.wa.gov](https://www.ofm.wa.gov/Pages/PopulationDensity.aspx)
5. NRIC will foster and expand economic relationships with the Makah Tribe and Jamestown S’Klallam Tribe\(^6\), thereby increasing prosperity in those areas. It is also intended to recruit and expand opportunities for women in business. For example, the CRTC is utilizing Malloree Weinheimer, owner of Chickadee Forestry, as a key contractor for the ACLT building panels. The City of Forks has a high population of Hispanic people that live in poverty. STGM is specifically targeting this population for employment.

B. Challenges and Opportunities
1. The single greatest challenge to NRIC involves public relations and the need to explain and illustrate the wide range of important environmental benefits secured thru the manufacture of products derived from forested resources as explained above.
2. First, lack of innovative bankable companies that create value added, and the jobs they support, is a barrier to economic development. However, after an introduction to NRIC, First Fed Bank joined the Ecosystem Team. Second, historically, large volumes of unprocessed logs have been exported internationally. Transforming those logs into finished products, along with expansions in the supply chain that would result, has been a challenge. The linkage discussed above between the Makah Tribe and the CRTC discussed above, illustrates the feasibility of solutions envisioned through NRIC. Lastly, transportation is a challenge. Production of higher value finished products will greatly offset those costs as each truckload will transport a greater total value. The NRIC will also explore how barging from Port Angeles to other port locations can reduce over land transportation and reduce cost, road wear and carbon emissions.
3. The opportunities are wide and varied. Near-term and long-term opportunities are described in A.1. Early on collaboration will lower waste in the residual market by maximizing its uses. Wood is a hydrocarbon; thus, anything that can be produced by fossil fuels can be produced from wood cellulose. Ten years ago, no one was thinking it possible to produced hydrogen from wood wastes; yet now it is a demonstrated technology.

C. Our Ecosystem
1. On March 9, 2023, an initial Ecosystem Team met. Discussion amongst participants resulted in the innovation model illustrated in Figure 1. Those meetings brought to the fore several essentials for the success of NRIC. First, the direction of innovations needs to be industry driven with a clear emphasis on “bankability.” The cost-revenue flow needs to “pencil out” before pursuing business opportunity. Second, the provision of the knowledge and skills of a labor force also needs to be industry driven. Peninsula College is dedicated to providing such training. Third, development of a waste inventory will help establish cooperative relationships between businesses that increase the revenues of all, thus further fostering local economic success. Fourth, the CRTC is uniquely situated to serve as the applied research hub for NRIC. They possess facilities that entrepreneurs can use to build and test prototypes. They also have an innovation culture that has scaled 22 products from inception to commercialization. The CRTC is also the source for recycled carbon fiber composites. Lastly, they possess established and strong working relationships with engineering programs at the University of Washington and Washington State University.
2. At present, the proposed Core Team would consist of a contractor that would be a seasoned professional in the Natural Resources industry to serve as the Program Manager (PM). Colleen McAleer, Executive Director of Clallam EDC and who also serves as a port commissioner and as a board member of STGM, would provide relevant leadership. Key stakeholders would include Cindy Brooks, Executive Director, EDC Team Jefferson, and one of the three depending on their schedules: Bill Hermann, owner of Hermann Brothers, Jeremy Weist, GM of Port Angeles Hardwood, Randy Johnson, Clallam County Commissioner

\(^6\) Makah Tribe and Jamestown S’Klallam Tribe Letters of Support
who was formerly CEO of a local forest products company. They would alternate as attendees for LAUNCH activities.

3. The proposed Ecosystem Team, at present, would be participants including representatives from the CRT, EDC Team Jefferson, Brix Marine, the Cities of Port Angeles, Sequim, and Forks, Clallam County Government, CRT, Hermann Brothers Logging and Construction, the Makah Tribe, Jamestown Tribe, McKinley Paper, SGTM, Peninsula College, Port Angeles Hardwood, the Port of Port Angeles, Clallam PUD, Hays Architects, and First Fed Bank.

4. We also expect to recruit Merrill and Ring, Rayonier, Pacific Northwest National Laboratories, and WSU.

D. Diversity and Inclusion

First, tribes of Clallam County will be critical partners in both the provision of natural resources and the use of final products, with the Makah and Jamestown Tribes having agreed to participate. As innovations are pursued, we expect to utilize traditional knowledge in natural resources management. Second, we will actively engage in recruitment of minority owned businesses using EDC’s inhouse PTAC Counselor, Rebekah Miller, who helps underrepresented businesses in Clallam and Jefferson Counties become certified businesses at the state and federal levels. Third, we have secured the participation of Malloree Weinheimer, Chickadee Forestry, as described in A.5 as well as with Cory Smith, who is the veteran owner of Northwest Saw Milling. Fourth, we intend to encourage entrepreneurial activities by utilizing PC’s AA, AAS, and BAS programs, being developed to integrate Indigenous materials and pedagogy to better prepare Tribal members for labor force participation.

E. Project Plan and Schedule

2023:
- May: Issue RFP to hire a full-time industry PM; Initiate process for a 501c6 for NRIC;
- June: Hire PM; #1 virtual workshop; finalize application for 501c6 IRS designation for NRIC;
- July: #2 virtual workshop, Q3 Virtual Meeting with Commerce;
- August: Begin to prepare application for EDA Recompete NOFO for Olympic Peninsula in coordination with Peninsula College, Clallam EDC and others; Expand Cluster Participants;
- September: #3 Virtual Workshop & #1 Strategy Session with Commerce; Recompete writing;
- October: Q4 Virtual Meeting with Commerce; Submit ReCompete Application to EDA;
- November: #2 Strategy Session with Commerce; Feasibility Work on ADU Manufacturing Facility;
- December: #4 Virtual Workshop; Feasibility work on ADU Manufacturing Facility;

2024:
- January: Q1 Virtual Meeting with Commerce; #3 Strategy Session with Commerce;
- February: Support Business Planning for ADU Manufacturing facility;
- March: #4 Strategy Session with Commerce; Expand Cluster Participants;
- April: Q2 Virtual Meeting with Commerce;
- May & June: Business Planning & Funding for ADU Manufacturing Facility.

F. Deliverables

- Formal designation of Natural Recourses Innovation Center (NRIC) as a 501c6 organization
- Creation of an industry-driven Board of Directors
- Submission of an industry-driven Recompete application to EDA
- A Cluster Launch Tool.
ICAP Launch - 3.3 Management Proposal – Natural Resources Innovation Center

A. Project Management

1. Project Team Structure:
   The full time Industry Program Manager would have the prime responsibility for the ICAP Launch work product. The Program Manager would report to the Clallam EDC Executive Director who in turn reports to the Clallam EDC Board of Directors. The Clallam EDC Executive Director would have final authority for the work as is provided within EDC bylaws. We would have one of the key stakeholders and partners as outlined in C2 above attend our cluster meetings and provide input and direction.

Internal Controls: The Clallam EDC has developed clear financial and procurement policies and processes that have been approved by the Clallam EDC Executive Committee. The Clallam EDC has strong internal controls reflected by an unblemished audit record of Clallam EDC Financial Statements and Federal Single Audits conducted for years 2020 and 2021.
   • The auditor’s report expressed an unmodified opinion on the basic financial statements of Clallam EDC.
   • No significant deficiencies were disclosed during the audit of the financial statements.
   • No instances of noncompliance material to the financial statements of Clallam EDC were disclosed during the audit.
   • No significant deficiencies relating to the audit of the major federal award program is reported in the “Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance”.
   • The auditor’s report on compliance for the major federal award programs for Clallam EDC expresses an unmodified opinion.
   • No audit findings relative to the major federal award programs for Clallam EDC were noted.
   • There were no reportable findings in the Financial Statement (Schedule of Expenditures of Federal Awards).
   • There were no reportable findings in the Federal Award Findings and Questionable Costs.
   • There were no prior year reportable findings in the Prior Year Audit Findings (2020).

2. Staff Qualifications and Experience:
   A former Natural Resources Industry executive or consultant with recent relevant forestry or mill experience will be hired to act as the Program Manager for the ICAP Launch process. Many skilled executives with innovative backgrounds were forced into retirement over the last decade when numerous mills closed, and they are now acting as consultants. We will hire this person through our established Procurement Policy, which clearly outlines our RFP process.

   This Natural Resources Program Manager will conduct outreach to other executives and small business owners in Clallam and Jefferson Counties to obtain engagement. The Program Manager will also work with a grant writing team, consisting of a PhD economist and a grant writer from Peninsula College, to prepare for place-based federal grant opportunities such as ReCompete. Clallam EDC Executive Director Colleen McAleer, EDC Team Jefferson Executive Director, Cindy Brooks, and Clallam EDC Operations Manager, Peggy Simmons, will be assigned to the contract and will commit their time as identified in the attached budget. McAleer and Brooks are deeply engaged in their counties’ housing crises. Both EDCs have identified housing and natural resources as a primary area of focus for their strategic plans.
McAleer and Brooks will attend the cluster training sessions and conduct business outreach; Simmons will prepare necessary reports and invoicing to the AGENCY.

B. Experience of the Proposer
1. Experience of the Proposer: Clallam EDC.
   a. Stakeholder convening and management: Clallam EDC has been the Associate Development Organization for Clallam County since 1982. With three cities, the County, Port, PUD, tribes, and hospitals all being active members, the local government sector is well represented and regularly provides input to direct our work. The Clallam EDC has over 200 local business and nonprofit members and partners. We regularly collaborate with our local chambers. We host weekly virtual meetings that attract up to 100 local attendees. The EDC manages meetings and works with industry-hosting CEO roundtable events in partnership with Impact Washington and our local college.
   b. Project management: The Clallam EDC has managed over $5 million in grant funding by distributing County ARPA funds to eligible businesses. We also manage a Procurement Technical Assistance Center (PTAC) separate from the WA PTAC program. We meet all federal requirements and submit reports on a quarterly basis.

   The Clallam EDC manages the applications and all processes for the Clallam County Opportunity Fund Board (.09 funds) worth over $1.6 million annually. We adhere to the Open Public Meetings Act and submit recommended actions to the Board of County Commissioners. Clallam EDC was also awarded $1.306M for businesses in our County and Jefferson and Grays Harbor Counties. Our multi-county Selection Committee followed our Clallam EDC procurement policies to select vendors through an RFP process to hire marketing and legal services to be delivered to underserved businesses within our counties. Our Selection Committee selected businesses to receive these services from the vendors selected through the RFP process.
   c. Additional relevant information: Executive Director McAleer has served as a Port Commissioner of our countywide port district since 2014. The Port’s primary source of revenue stems from the natural resources industry. As such she has extensive knowledge and working relationships in this industry sector. McAleer also serves on the Board of Directors of Sustainable Green Team LTD, a publicly traded company, which is a proposed member of the to-be-created 501c6.

C. Related Information
1. The Clallam EDC has received the following contracts with the Washington State Department of Commerce since April 2021:
   a. Biennial ADO Contract - #S22-75106-004; end date 6/30/2023; This performance-based grant funding is to assist with economic development activities for Clallam County.
   b. Child Care Contract - #22-21450210-003; end date 6/30/2022; Support of community-driven child care solutions by fostering partnerships, conducting planning and completing activities that help the community address the shortage of child care.
   c. Child Care Contract - #23-21450210-001; end date 6/30/2023; Support of community-driven child care solutions by fostering partnerships, conducting planning, and completing activities that help the community address the shortage of child care.

2. Not applicable.
3. Not applicable.
4. Not applicable.
D. References

1.  3 Business References for Clallam County Economic Development Council:
   - Randy Johnson, Commissioner, Clallam County, 360.452.3545, 
     randy.johnson@clallamcountywa.gov.
   - W. Joe Allen, Executive Director, Economic Development Administration, Jamestown 
     S’Klallam Tribe, 1033 Old Blyn Hwy, Sequim, WA 98382, 360.582.5791, 
     jwallen@jamestowntribe.org.
   - Bill Hermann, Owner, Hermann Bros Logging and Trucking, 404 Eclipse Industrial Pkwy, Port 
     Angeles, WA 98363, 360.452.3341, bill@hermannbros.com.

2.  3 Business References for Colleen McAleer:
   - Lisa Wellman, WA State Senator, 206.236.0354, lisawellman@comcast.net.
   - Matt Huish, City Manager, City of Sequim, 152 W. Cedar St., Sequim, WA 98382, 
     435.901.4488, mhuish@sequimwa.gov.
   - Terry Ward, VP & Publisher, Sound Publishing and Chair, Clallam EDC, 305 W First St. Port 
     Angeles, WA 98362, tward@soundpublishing.com.
ICAP Launch - 3.4 Cost Proposal – Natural Resources Innovation Center

<table>
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<th>Cost Type</th>
<th>Total Line-Item Cost – Capacity Building Contract</th>
<th>Total Line-Item Cost – Other Sources</th>
<th>Total with Match</th>
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