



March 13, 2014

To All U.S. Conference of Mayors Members:

On behalf of The U.S. Conference of Mayors, Walmart and the Walmart Foundation, we are writing to invite you to be part of a compelling initiative aimed at helping create jobs by expanding U.S. manufacturing.

Walmart is proud of the commitment to purchase \$250 billion more on US made products over ten years. In the 10th year of the commitment, the company expects to be spending \$50 billion more per year on household products made in the USA. Walmart believes this work will help better serve customers, and create transformative change that helps position Walmart, and its' suppliers, for tomorrow.

The *Walmart U.S. Manufacturing Innovation Fund* will provide \$10M in grants for research and development in the manufacturing sector over the next five years. Walmart and the Walmart Foundation will fund the program and work in collaboration with The U.S. Conference of Mayors to identify and award leaders in manufacturing innovation. This program seeks to create new processes, ideas, and jobs that support America's growing manufacturing footprint.

For the Fund's first year, the **Request For Proposals** focuses on innovation in manufacturing processes for textiles and apparel as well as common manufacturing processes that apply to a broad range of consumer goods, such as small motor development and tooling for plastic injection molding. Proposals will be accepted from 501(c)(3) institutions and public universities that are instrumentalities of a state government that could include: consortiums, research and academic institutions, think tanks and other non-profit entities focused on innovations in manufacturing. If we want to grow manufacturing and invest in America's middle class, we need you and the collaborations you can build with the brightest minds in your universities and research institutions to collaborate to tackle these problems and create solutions.

Initial applications are due by 11:59 p.m. EDT on April 22, 2014. Please review the enclosed materials, visit www.usmanufacturingfund.com for more information, or direct questions to USCM Chief of Staff Ed Somers at esomers@usmayors.org / 202-861-6706. There will be an opportunity to join an information call with Walmart, the Walmart Foundation and USCM on April 3, 2014. All logistical information for that call will be sent by USCM.

Because of the collaboration between USCM, Walmart and the Walmart Foundation, the initiative is off to an exciting start. However, this is an effort that requires all of us to work together. We hope you will take part in this important opportunity to help us transform manufacturing at home, driving job creation and a stronger middle class.

Sincerely,

Kathleen McLaughlin, President,
Foundation & SVP, Sustainability
Walmart Stores, Inc.

Cindi Marsiglio, VP U.S.
Sourcing & Manufacturing
Walmart Stores, Inc.

Tom Cochran, CEO
& Executive Director
The U.S. Conference of Mayors

Walmart U.S. Manufacturing Innovation Fund

Request for Proposals

Date issued: March 14, 2014

Deadline for letter of intent submissions: 11:59 p.m. EDT on April 22, 2014

Introduction

Walmart, the Walmart Foundation, and the United States Conference of Mayors ("USCM") are pleased to release a Request for Proposals (RFP) for 501(c)(3) organizations **and public universities that are instrumentalities of a state government** interested in receiving support for applied research from the Walmart U.S. Manufacturing Innovation Fund (the "U.S. Manufacturing Innovation Fund"). The U.S. Manufacturing Innovation Fund, a collaboration among Walmart, the Walmart Foundation and USCM, is focused on the development of U.S. manufacturing, with the specific goal of making it more feasible and competitive to make consumer goods in the U.S. Advancing this goal is congruent with Walmart's recent pledge, announced January 2013, to buying an additional \$50B in U.S. products by 2023, and will serve to benefit the country as a whole. Together, these initiatives represent a significant investment accelerating U.S. manufacturing.

The U.S. Manufacturing Innovation Fund will provide grants in support of applied research projects advancing innovative solutions to key challenges that have the potential to lower the cost of making consumer products in the U.S. ("Projects" or, singularly, "Project"). More specifically, Projects should advance the fundamental research, development, and commercialization of science and technology solutions to key challenges faced by companies interested in manufacturing their products in America. The U.S. Manufacturing Innovation Fund hopes to help jumpstart a more far-reaching revitalization of U.S. manufacturing, driving job creation and a stronger U.S. economy. This is part of Walmart's and the Walmart Foundation's broader commitment to investing in American jobs, including the company's commitments to hiring veterans and offering unprecedented career opportunities for our Associates, and the Foundation's funding of programs that support veterans and employment opportunity and training for low-income individuals.

Through the Walmart Foundation, the U.S. Manufacturing Innovation Fund will award grants to selected 501(c)(3) organizations or public universities that are instrumentalities of a state government that are pursuing Projects and have the endorsement of the mayor of a USCM member city ("Recipients" or, singularly, "Recipient"). Qualified organizations include but are not limited to: research institutions, consortiums, think tanks, and various organizations working on this issue. Upon contract negotiation and execution, Recipients will receive grants ranging from \$100,000 and above for award periods of at least one year, with the option of reapplying for continued funding in subsequent cycles. We expect to provide approximately \$10M

in funding for Projects over the next five years. Most awards will be given to Recipients for Projects aligned with one of the U.S. Manufacturing Innovation Fund's selected manufacturing focus areas, announced at the beginning of each grant cycle. Applications for Projects addressing other manufacturing processes relevant to making consumer products in the U.S. are also welcomed, though priority will be given to those addressing the U.S. Manufacturing Innovation Fund's stated focus areas.

Focus areas

The U.S. Manufacturing Innovation Fund will prioritize Projects focused on advancing the feasibility and competitiveness of U.S. manufacturing for a range of consumer products. Many companies are interested in making their products in the U.S. but face various manufacturing hurdles that currently prevent them from doing so. Through working with interested companies, we've identified a number of key manufacturing challenges that currently lessen the attractiveness of the U.S. as a location for manufacturing due to cost and other considerations. Solving these challenges would greatly ease the ability of companies to manufacture in the U.S. Though this is not an exhaustive list of possible challenges, the U.S. Manufacturing Innovation Fund has selected a list of manufacturing focus areas that hold significant potential to turn the tide in favor of U.S. manufacturing for many consumer products.

The U.S. Manufacturing Innovation Fund has prioritized the following manufacturing issues for funding in 2014.

- **Textiles manufacturing:** Reducing the cost of textiles manufacturing, including home textiles and apparel, in the U.S. by addressing obstacles throughout the value chain. The obstacles prioritized by the U.S. Manufacturing Innovation Fund for this cycle are as follows:
 - **Weaving:** Weaving yarn into fabric is an important step in the value chain for textile products. Though weaving operations make use of automated looms and other machinery, the process involves several steps. Setting up the machinery and transferring the material between steps can drive labor intensity, making low labor-cost countries more attractive than the U.S. Further automating the weaving process would bring costs down and make weaving a more attractive proposition in the U.S.
 - **Fabric dyeing:** Fabric is dyed before being transformed into a final product. Current dyeing techniques are water and energy intensive, and produce wastewater that needs to be treated before being discharged. Walmart and the Walmart Foundation would like to promote the development of environmentally aware dyeing alternatives that make the process viable and cost-effective in the U.S. while satisfying regulatory and legal requirements. This approach is consistent with Walmart's and the Walmart Foundation's commitment to sustainability as well as investing in American jobs and Americans seeking jobs.

- **Cut and sew:** Companies currently rely mostly on manual cut-and-sew processes to turn fabric and other components into textiles and apparel. Because these processes are relatively complicated, and because individual products feature unique designs and therefore require flexibility in manufacturing, there are limitations on the extent to which existing technologies can automate the process. The introduction of more sophisticated, flexible automation technologies would make it more cost-effective to cut and sew these products in the U.S.
- **Common processes:** Addressing common manufacturing processes with broad application to many types of consumer products. This cycle the U.S. Manufacturing Innovation Fund is focusing on two manufacturing processes that add complexity to U.S. manufacturing today:
 - **Tooling for injection molding:** Molding plastic resins into shapes and ultimately components for consumer products is often accomplished through a process called "injection molding." The tools – mostly molds or dies – used in this process are expensive to produce, and the cost premium to make them in the U.S. increases the cost of manufacturing many plastic-based products in the U.S. While the molds can be manufactured offshore and imported for use in the manufacturing process, this complicates operations and makes quality control efforts more difficult. Current mold design and production is labor-intensive and time-consuming, but innovations in technology can help to provide cost reductions in this important manufacturing process.
 - **Small motor manufacturing:** Small motors are used to run many appliances, toys, and other consumer products, but few are made in the U.S. today. Manufacturers often choose to make their products near their sources of small motors. The current final assembly process for small motor manufacturing is labor-intensive, disadvantaging the U.S. compared to low labor-cost countries. In addition, component design can be improved to reduce the noise, weight, and/or heat emission of small motors, improving their general performance. Innovations that improve either final assembly process or component design can make U.S. manufacturing of small motors more competitive. Reshoring this key step would help to promote the growth of U.S. manufacturing for a range of appliances and related consumer products.

Applications for Projects that address other U.S. manufacturing challenges will also be considered, though priority will be given to strong applications that address one of the focus areas described above.

Eligibility and selection criteria

The U.S. Manufacturing Innovation Fund aims to leverage the expertise and experience of researchers who have a background and proven record in applied science and technological innovation, with a focus on developing commercial solutions from their work. Grant award criteria include: potential impact on U.S. consumer product

manufacturing, stage of development and commercial viability, degree of innovation, and ability of the applicant's research institution and team to successfully execute the Project proposed. Successive applications for funding will also be assessed on Project progress as defined by the goals and metrics set in the previous grant cycle.

To be eligible for funding, organizations must be 501(c)(3) organizations or public universities that are instrumentalities of a state government, with at least 50% of the project team based in the U.S. and with U.S.-based management. Applicant organizations must obtain endorsement from the mayor of a USCM member city to be eligible for funding. The U.S. Manufacturing Innovation Fund will not fund Projects with overhead costs exceeding 10% of total budget. The U.S. Manufacturing Innovation Fund is not currently awarding grants for building or capital projects, supplier agreements, or other non-research projects. However, the U.S. Manufacturing Innovation Fund will evaluate funding guidelines each cycle and is interested in hearing about other innovative efforts in the research community, including those being undertaken by parties not currently eligible to receive funds through this opportunity. Please let us know about your work by filling out [this form](#) and emailing it to USAFund@wal-mart.com. We will keep your information on file and will contact you if future opportunities arise.

Please refer to the following eligibility checklist to determine whether your Project is eligible for support from the U.S. Manufacturing Innovation Fund:

- U.S. 501(c)(3) organizations **or public universities that are instrumentalities of a state government are eligible for funding at this time***
- At least 50% of project teams must be based in the U.S., with U.S.-based management
- Applicants must have the endorsement of a mayor of a USCM mayor when submitting full proposals
- The following are ineligible for funding:
 - Individuals
 - Municipalities and other government entities
 - Political organizations
 - Current or potential suppliers of manufactured goods to Wal-Mart Stores, Inc.
- Projects should address a technological innovation that can advance U.S. manufacturing. The following focus areas will be prioritized for funding:
 - Projects reducing the cost of producing textiles and apparel in the U.S.
 - Weaving
 - Fabric dyeing
 - Cut and sew
 - Projects addressing common manufacturing processes with broad application to many types of consumer products
 - Tooling for injection molding
 - Small motor manufacturing
- Projects must have a budget exceeding \$100,000 per year

- Overhead costs must not exceed 10% of total budget
- Applicants should demonstrate a proven ability to execute the proposed Project via expertise and/or past experience

* The original eligibility categories in the Request for Proposals were narrowly defined as 501(c)(3) organizations exclusively. In order to make it easier for public universities to apply for a U.S. Manufacturing Innovation Fund grant, we have amended the process to now include (I) 501(c)(3) organizations or (II) public universities that are instrumentalities of a state government. We welcome applications from both categories.

Application timeline

The U.S. Manufacturing Innovation Fund will utilize a two phase application process.

- **Phase 1:** In order to be considered for an award in 2014, eligible applicants must submit a [letter of inquiry](#) by 11:59 p.m. EDT on April 22, 2014. Following review by a committee composed of representatives from Walmart Foundation, Walmart, USCM, and manufacturing experts, applicants submitting Projects that align with the mission of the U.S. Manufacturing Innovation Fund and meet eligibility requirements will be invited to submit a detailed proposal.
- **Phase 2:** Invited applicants who wish to continue in the application process must submit full proposals, including a letter of support from a USCM mayor, by July 15, 2014.

The first round of Recipient announcements will be made in August 2014. A public announcement will be made, and the Walmart Foundation will contact Recipients directly. The U.S. Manufacturing Innovation Fund has no obligation to award funds to Recipients until completion of a negotiated and signed grant agreement.

The U.S. Manufacturing Innovation Fund will be hosting a conference call on April 3, 2014 to answer questions from interested applicants about the scope of the grant and the application process.

Please visit our [application portal](#) if your organization is interested in submitting a letter of intent for consideration to the U.S. Manufacturing Innovation Fund.

If you have questions about the U.S. Manufacturing Innovation Fund, please refer to our FAQs page.

Contact Information	
Please select or enter the contact information for the Grant Preparer, President/Executive Director, and/or Public Relations contact(s) for this request.	
*First Name	Instructions: Enter the contact's first name.
*Last Name	Instructions: Enter the contact's last name.
*Contact Title	Instructions: Enter the contact's title.
*Address	Instructions: Enter the contact's address.
*City	Instructions: Enter the contact's city.
*State	Instructions: Enter the contact's state.
*Zip	Instructions: Enter the contact's zip.
*Telephone	Instructions: Enter the contact's telephone number starting with the Area Code.
*E-mail Address	Instructions: Enter the contact's e-mail address. Please ensure the accuracy of this email address as it will be used for correspondence.
*Contact Type <ul style="list-style-type: none"> • Board Member • Development Staff • Executive Director • Primary Contact • Public Relations • Trustee 	Instructions: Select the contact type that best describes the contact's role.
*Contact's Role <ul style="list-style-type: none"> • Employee • Contractor • Volunteer 	Instructions: Please choose the item that best describes the contact's relationship to the organization.
Organization Information	
Official Name	Instructions: Name associated with specific tax ID in the IRS business master file or name associated with school/school district in NCES data
*Legal Name	Instructions: Enter the organization's legal name.
AKA Name	Instructions: Enter the AKA Name of the organization (if applicable).
*Address	Instructions: Enter the organization's mailing address.
*City	Instructions: Enter the organization's city.
*State	Instructions: Enter the organization's state.
*Zip	Instructions: Enter the organization's zip code.
*Telephone	Instructions: Enter the organization's telephone number.
*Organization Overview	Instructions: Provide a brief description of your organization, including capacity and resources available for use toward your proposed project.

Request Information	
Please complete the fields below with information regarding the project for which the organization is requesting Walmart U.S. Manufacturing Innovation funds.	
*Project Title	Instructions: Enter the title of the proposed program.
*Project Focus Area <ul style="list-style-type: none"> • Weaving • Fabric Dyeing • Cut and Sew • Tooling for Injection Molding • Small Motor Manufacturing • Other 	Instructions: Select the Focus Area that best fits the proposed program.
Other (details)	Instructions: Briefly describe the Focus Area of the proposed program.
*Project Budget	Instructions: Enter the project budget to be considered for funding.
*Requested Cash Amount	Instructions: Enter the dollar amount the organization is requesting for the proposed program.
*Stage of Development <ul style="list-style-type: none"> • Basic Research • Commercialization • Development • Other 	Instructions: Select the Stage of Development that best fits the proposed program.
Other (details)	Instructions: Briefly describe the Stage of Development of the proposed program.
*Project Description	Instructions: Briefly describe your applied research project. What manufacturing process does it address, and what is the current challenge? How does your research provide an innovative solution? What is the methodology of your projects, and what are your objectives to achieve during the grant period?
*Budget Narrative and Timeline	Instructions: Provide a brief narrative of how funds will be used if awarded, including a timeline of your research.
*Team Profile	Instructions: Provide a brief profile of the research team, including institutional background and previous work in this area.
*USCM Support	Instructions: Have you contacted a United States Conference of Mayors member about supporting your project?
*Mayor Name	Instructions: Enter the name of the mayor you've contacted or are planning to contact about your project.
*Mayor City	Instructions: Enter the city of the mayor you've contacted or are planning to contact about your project.