Commonwealth of Massachusetts

Executive Office of Economic Development

In coordination with

Massachusetts Technology Collaborative

Request for Proposals (RFP)

Business Incentive Programs

Business Builds: SHIELD Capital Grant Program

Program Guidelines

RFP # 2027-NEMC-01

CONTENTS

A. Introduction
B. Program Overview
C. Program Details
D. Application Process
E. Eligibility & Evaluation
F. Award Recommendation and Contacting
G. Post-Award Information
H. Compliance

A. Introduction

The Commonwealth's goal is to ensure that defense and national security businesses choose not only to locate in Massachusetts, but to grow, expand, and build their future here.

The Massachusetts Technology Collaborative (“MassTech”) is coordinating the release of a capital grant program: Business Builds: Strategic Hub for Innovation, Exchange, and Leadership in Defense (SHIELD) Capital Grant Program.

By aligning incentive programs across Team Massachusetts, the Commonwealth is delivering a seamless, strategic investment process that supports companies in defense and national security sectors, accelerates business expansion, and reinforces its commitment to help defense and national security businesses start, grow, and thrive in Massachusetts. This coordinated approach ensures that every investment advances the Commonwealth's long-term economic priorities while strengthening Massachusetts' position as the premier destination for innovation, talent, and industry leadership.

Strong applicants will be expanding workforce and/or facilities leveraging private investments to create jobs and generate new economic activity across the Commonwealth.

B. Program Overview

The Business Builds: SHIELD Capital Grant Program (Business Builds SHIELD) is a competitive funding initiative created by the Mass Leads Act to support business expansion and private investment in the Commonwealth of Massachusetts. Administered by MassTech, the program provides capital reimbursement grants to defense and national security businesses that are expanding operations, relocating to,

or creating jobs to foster innovation, demonstration, research and product development in Massachusetts.

The program is designed to:

- Support capital investments in facilities and equipment to foster innovation, demonstration, research, and product development
- Attract and retain businesses in the Commonwealth and spur job creation in Gateway Cities, rural towns, and underutilized spaces.
- Advance national security and economic resilience

C. Program Details

Overview	Description
Eligible Applicants	**Defense and national security businesses seeking to expand or improve their operations within the Commonwealth.**
Defense and National Security Priorities in Massachusetts	The following areas will be prioritized in this process: • Manufacturing modernization and/or scale-up required to meet increased demand from defense primes for Massachusetts-based Tier 2 and Tier 3 defense industrial base suppliers. • Autonomy and autonomous systems for land, air, sea (surface and subsurface), and space. • Critical domestic value chain development in areas such as critical minerals, advanced materials, microelectronics and advanced packaging, and more. • Bioindustrial manufacturing and biomaterials production supply chain resilience, including areas such as alternative fuels/materials, agrifood, and medical countermeasures against emerging biological threats.
Typical Grant Range	**$500,000 - $2,000,000**

Match Requirement	Requirement: 1:1 match (business must match grant funds dollar-for-dollar). Sources of matching funds cannot be other state grants or in-kind contributions.
Grant use	**Eligible Expenses (Capital Only):** • Building costs including fit out, build out of facilities • Equipment needed to serve the expansion • Infrastructure or utility construction costs, or site preparation to ensure new facilities have the necessary water, sewer, power and electricity needed to run the building. **Ineligible Expenses:** • Operating expenses • Working capital • Administrative costs Further details below.
Contract Payment Terms	**Cost reimbursement contracts** Funds are disbursed on a cost reimbursement basis, within 45 days of invoice submission. Only approved expenses, based on a scope of work contained in a fully executed contract with MassTech, will be reimbursed. Applicant must accurately project spending of the grant on a quarterly basis by fiscal year. The state fiscal year runs July 1 – June 30. The grant request may span fiscal years, but funding will not roll over from fiscal year to fiscal year. The funding must be spent within the projected fiscal year.
Performance Period	Once awarded, a Business Builds SHIELD grant may be used for up to 3 years. MassTech may also make multi fiscal-year awards, depending on the project. Projects that are shovel-ready will be prioritized.
Limitations	Applicants with a project that have applied for and received grants from the Business Builds programs

	solicited by the Massachusetts Office of Business Development, the Massachusetts Life Sciences Center, or the Massachusetts Clean Energy Center cannot apply to the Business Builds SHIELD program. Applicants with a project that have applied for and received grants from Massachusetts Technology Collaborative capital programs cannot apply to Business Builds SHIELD for the same project. An additional project will be considered if it has not been supported by the programs noted above.

Eligible & Ineligible Capital Expenses:

All eligible costs must costs that are categorized as capital expenditures in accordance with Generally Accepted Accounting Practices (GAAP), including the purchase, construction, or permanent installation of equipment or infrastructure. Operating expenses ("OpEx"), including salaries or wages of grantee staff, are not eligible for funding.

Costs must be incurred after the execution of a Grant Agreement and will be reimbursed by MassTech.

Budget Category	Description	Reimbursable
Capital Expenses		
Infrastructure & Equipment	Equipment, digital infrastructure, permanent installations.	☑ Eligible
Capital Labor	Staff salaries/wages for capitalizable work (routine site maintenance, installation, etc.)	✗ Not eligible
Capital Labor Fringe	Benefits related to capital labor.	✗ Not eligible
Capital Subcontractors/Consultants	Third-party installation, engineering, and construction services needed to install equipment, including subcontractor indirect costs included in the hourly rates for actual project hours worked.	☑ Eligible
Other Capital Materials and Costs	Permanent building and installation materials (e.g., structural steel, concrete, conduit, wiring, permanent piping), and capitalized software. [6]	☑ Eligible

Capital Overhead/Indirect Costs	Allocated indirect costs on capital expenditures.	✗ Not eligible
Operating Expenses		
Direct Labor	Salaries and wages of staff engaged in non-capitalizable tasks, such as project management, administrative work, grant reporting, etc.	✗ Not eligible
Direct Labor Fringe	Benefits related to direct labor costs.	✗ Not eligible
Subcontractors/ Consultants	Subcontractors or consultants performing non-capitalizable tasks, such as project execution, evaluation, outreach, etc.	✗ Not eligible
Direct Materials	Office supplies, or software not directly tied to asset creation.	✗ Not eligible
Other Direct Costs	Expenses necessary for project execution that do not fit the above categories (travel costs, conferences, etc.).	✗ Not eligible
General & Administrative Expense/Overhead	Organization-wide costs not directly attributable to the project, such as executive leadership, rent, utilities, etc.	✗ Not eligible

D. Application Process

Applications will be accepted on a rolling basis through MassTech's Procurements and Grant Opportunities webpage, with reviews and awards made bi-annually.

Link to Application:
https://airtable.com/appO0aNmBER9Q8N0K/pagYP0Od7WgixnLKS/form

The project application is broken down into six sections:

Section 1: Applicant Information

This section requests basic information about the business undertaking a proposed project, including the business contact information.

Section 2: Project Information

This section requests information about the proposed project, including scope of work, outcomes, public benefits, and how the incentive factors into the project.

Section 3: Employment

This section requests details of the jobs to be created.

Section 4: Grant Request

This section requests information about the request, use of funds, matching funds, and projections of spending.

Section 5: Affirmation and Disclosures

This section includes affirmations and disclosures.

Section 6: Certifications and Signature

This section includes certifications and signature.

E. Eligibility and Evaluation

Once a business has submitted a complete application, MassTech will carefully review each project application's eligibility to confirm that the following conditions have been met:

1) The project is located in Massachusetts
2) The project consists of capital investments in a facility that enables the business to relocate from one location to another in Massachusetts, relocate from out of state to Massachusetts, expand an existing facility, or to establish a new facility.
3) The project appears to be economically feasible for the business (i.e. the business has the funds to match the grant award dollar-for-dollar).

MassTech will evaluate each eligible project application according to the following criteria. No one criteria is deterministic nor disqualifying on its own. The goal of this RFP is to select applicants that will most closely align with MassTech's goals in the publication of this RFP. MassTech reserves the right to consider such other relevant factors as it deems appropriate.

Scoring Criteria	Description
Defense and National Security Priorities in Massachusetts	Evaluates alignment with MassTech's strategic defense and national security sectors as outlined in Section C. Higher scores are awarded to companies operating in alignment with significant economic growth potential and strategic importance to the defense and national security priorities for the Commonwealth. • Manufacturing modernization and/or scale-up required to meet increased demand from defense primes for Massachusetts-based Tier 2 and Tier 3 defense industrial base suppliers. • Autonomy and autonomous systems for land, air, sea (surface and subsurface), and space. • Critical domestic value chain development in areas such as critical minerals, advanced materials, microelectronics and advanced packaging, and more.

	• Bioindustrial manufacturing and biomaterials production supply chain resilience, including areas such as alternative fuels/materials, agrifood, and medical countermeasures against emerging biological threats.
Expansion Location	Assesses the economic impact of the proposed location based on factors such as whether the project is located outside of Route 128 and whether it is situated within a Gateway City or rural community. Projects in areas targeted for economic development receive higher scores.
Job Growth Potential	Measures the company's projected employment impact, including anticipated job growth over five years and the quality of jobs created. Preference is given to projects estimating at least 50% employment growth and offering wages above the statewide average individual income.
Investment in Massachusetts	Evaluates the scale and significance of the company's commitment to Massachusetts through capital investment, business expansion activities, and long-term presence. Priority considerations include investments exceeding $10 million; expansion of manufacturing, headquarters, R&D, or other functions; establishment of a new location; and introduction of a new business function to the state.
Public Good	Assesses the broader benefits the project provides to Massachusetts beyond direct business outcomes. Factors include investments that support community development, workforce advancement, regional economic significance, infrastructure improvements, national and economic security, or other public-facing impacts that contribute to the Commonwealth's long-term prosperity.

The scoring criteria informs both the award amount and the overall priority of an application. Awards may range from $500,000 to $2,000,000. Due to the competitive nature of the grant programs, applicants may request an amount of funding, but this process does not guarantee that amount as an award; the actual amount may be lower based on score, eligible costs, required match, project scope, and available program funds.

Public Benefit

All applicants must describe the public benefit of the project. These benefits should illustrate how this project and funding will support the broader economy or community of Massachusetts, beyond the benefits to the applicant. Examples of public benefits include:

1. **Job Opportunities for Local Communities**
   Describe how the project will create new, high-quality employment opportunities for residents of Massachusetts, particularly in Gateway Cities, rural towns, or

areas with high unemployment. Include any plans to hire from disadvantaged populations or invest in workforce training.

3. **Economic Stability and Growth**
   Detail how the project will contribute to the economic development of the region. This may include revitalizing vacant or underutilized properties, supporting local supply chains, or strengthening nearby commercial districts.
4. **Better Public Infrastructure**
   Identify any anticipated improvements to local infrastructure associated with the project, such as utilities, transportation access, or public amenities. Explain how these improvements will benefit the surrounding community beyond the improved facility.
5. **Competitive and Attractive Job Market**
   Describe how the project will improve job quality and market competitiveness, including offering good wages, career advancement opportunities, or skills development. Include any partnerships with schools, training institutions, or workforce development programs.
6. **Advancing National Security and Economic Resilience**
   Discuss how the project addresses critical sovereign needs such as onshore supply chain resiliency, domestic manufacturing depth, and mission-readiness modernization and/or support fuels sustainable, high-wage job creation while safeguarding American industrial competitiveness.
7. **Stronger State Economy**
   Explain how the business' expansion will increase tax revenues, attract additional investment to the state, or enhance Massachusetts' reputation as a destination for innovation, sustainability, or advanced industry. Emphasize the broader economic impact of the project.

Additional or different benefits will also be considered.

F. Award Recommendation and Contracting

Following the application deadline, timely and complete applications will be reviewed for eligibility and evaluated using the common scoring calculator. A calculator score supports, but does not compel, an award recommendation. All applicants will be notified in writing of the decision on their application.

Applicants that are approved for funding will receive a commitment letter outlining the grant amount and any conditions of the award. Grantees will need to verify the project's readiness and address any related conditions at the time of award.

All awards are subject to MassTech's receipt of funds from the Commonwealth and are contingent upon full execution of a contract between MassTech and the Grantee.

G. **Post-Award Information**

Successful applicants, upon notification of award, will be required to enter into a grant agreement with MassTech prior to the disbursement of any grant funds. All scope of work items, timelines, and project outcomes will be detailed and incorporated into the contract. Grantees are not authorized to expend any grant funds until a contract is fully executed. All grant funds must be expended in accordance with the drawdown schedule outlined in the contract.

Each grantee will also be required to enroll in Electronic Funds Transfer (EFT) as a contract requirement. Enrollment is done by following the instructions provided with the grant agreement.

H. Compliance

At the end of each fiscal year (June 30), each grantee is required to report information on the project, including number of permanent full-time employees, capital investments, climate and carbon impact, and other relevant information necessary to determine project progress. MassTech will review annual reports to determine whether the business has substantially achieved its obligations set forth in the contract.

MassTech will close out a grant award upon receipt of an annual report evidencing the certified project has met its obligations and all building projects are complete. Upon project close out, any grant funds awarded but not utilized will no longer be available to the grantee.

Government grants are generally considered taxable income under federal and Massachusetts tax laws. Please consult your tax professional for reporting Business Builds Capital Grants as taxable income when filing tax returns.

I. Additional Information

1) Any and all responses, applications, data, materials, information and documentation submitted to MassTech in response to this RFP shall become MassTech's property and is subject to public disclosure. As a public entity, MassTech is subject to the Massachusetts Public Records Law (set forth at Massachusetts General Laws Chapter 66). There are very limited and narrow exceptions to disclosure under the

Public Records Law. Applicants should mark anything that they believe is confidential or proprietary as such, however MassTech's receipt of such documents does not represent a finding by MassTech of the Supervisor of Public Records that such documents are exempt from public disclosure.

2) If an application fails to meet any material terms, conditions, requirements or procedures, it may be deemed unresponsive and disqualified. Mass Tech reserves the right to waive omissions or irregularities that it determines to be not material.

3) MassTech reserves the right, in its sole discretion, to withdraw the RFP, to engage in preliminary discussions with prospective applicants, to accept or reject any or all applications received, to request supplemental or clarifying information, to negotiate with any or all qualified applicants, and to request modifications to applications in accordance with negotiations.

4) MassTech may provide reasonable accommodations, including the provision of materials in an alternative format, for applicants with disabilities or other hardships. Applicants requiring accommodations shall submit requests in writing, with supporting documentation justifying the accommodations. Mass Tech Collaborative reserves the right to grant or reject any request for accommodations.

5) Applications shall be treated by MassTech as an accurate statement of an applicant’s capabilities and experience. Should any statement asserted by an applicant prove to be inaccurate or inconsistent with the foregoing, such inaccuracy or inconsistency shall constitute sufficient cause for MassTech in its sole discretion to reject the application and/or terminate of any resulting agreement.

6) Costs that are not specifically identified in the applicant and/or not specifically accepted by MassTech as part of the grant agreement will not be compensated under any contract awarded pursuant to this RFP.

7) MassTech’s prior approval is required for any subcontracted services under any grant agreement entered into as a result of this RPF. The selected applicant is responsible for the satisfactory performance and adequate oversight of its subcontractors. Subcontractors are required to meet the same requirements and are held to the same reimbursable cost standards as the selected applicant.