

Pitch

What can I expect in the pitch meeting?

The pitch invitations will be sent by ESA. Attendees may include the ESA InCubed team, ESA subject matter experts, representatives of the national delegations relevant to your consortium, and whomever you consider useful to attend from the consortium (we expect you to forward the meeting link to all attendees from the consortium side).

The detailed meeting agenda will be included in the invitation sent by ESA. After introduction, you will have 15 minutes to present your proposal (you will be timed – please match the level of detail in your presentation to this timeframe), after which ESA/national delegates may ask questions from you about the details of your proposal. The duration of the session is max 90 minutes.

Please note that ESA is a scientific and engineering organization, so match your presentation content accordingly.

What videoconference tools will be used for the pitch?

MS Teams is used by default, but the bidder can request to use Webex instead.

Who should I involve in the pitch?

Please match your presenting/attending team based on the agenda of the pitch invitation, where we explain what we expect to see in your presentation. This may include, for example, people in charge of your business plan, of your technical design, your potential subcontractors and even foreseen customers.

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Costs & Payments

Can ESA pay the subcontract price of the activity directly to the subcontracting company / companies?

ESA pays directly to the prime (not to subcontractors).

Can I add marketing costs to my activity?

Yes, this is allowable, with limitations provided in the allowable costs. In InCubed, up to 5 % of the total cost is allowed for marketing.

Can I use the time and the person-hours/facilities/services provided by my customers to cover the co-funding part?

Yes, two cases are possible:

1) If the customer/user provides facilities, manpower, etc. and they are not subcontractors, these costs shall be detailed in the Exhibit A of the Prime PSS forms as external costs.

If these costs exceed 20.000 Euro, the Customers/Users shall provide separate PSS form (PSS A1, A2, Exhibit A) detailing the costs they will incur and that will not be charged to the Prime.

Eligibility of such costs will be assessed by ESA, however as a general principle they can be eligible if required for the project, fully dedicated to the project and not entangled with normal business.

2) If the customer/user is a subcontractor, they can charge this cost in their PSS forms asking ESA zero co-funding. This cost will go in the overall bucket of the activity costs.

Is there a limit on how much external costs I can include?

All products/services of external providers whose cumulative value exceeds 5.000 euros shall be provided with details of the procurement source (Name of the company, country, number of person-hours quoted and rate/hour, detailing any major additional cost item quoted in the service).

External providers with a total cost above 100k euros shall provide their separate, signed PSS forms (A1, A2 and Exhibit A).

It is not allowed to quote hours of external providers of any kind, those costs shall be only listed in exhibit A to PSS-A2.

Costs above 50 k euros outside of the countries of the bidding consortium members (i.e. in other ESA Member States and/or outside of the ESA Member States) shall be authorised by the relevant National Delegation/s.

What are in-kind contributions?

In-kind contribution (IKC) (in ESA terms) refers to a type of allowable cost that can be accrued to the activity total cost. The ESA definition of in-kind contribution is the following:

1. The expenditure has actually been incurred and separately recorded as being company funded product development.
2. The IKC cost quoted for the proposed activity is at least 2/3 directly attributable to hardware elements. The remainder, at the maximum 1/3, is for software/assembly/ integration/test to make the hardware a functional unit.
3. The IKC has not been paid with any public funds.
4. Contributions such as but not limited to materials, information, equipment and services obtained by the Contractor free-of-charge do not qualify as eligible costs and therefore cannot be claimed as in-kind contributions.
5. The item cost/depreciation related to the item (in case the item has been capitalised) has not been recovered through the rates (including overhead rates) or other cost elements.
6. The item has not been subject to revaluation in the two calendar years before that of the start of the current activity.
7. The maximum depreciation for IKC shall not exceed 20% of the overall cost of the activity.
8. The IKC is of direct benefit to the proposed activity, as described above. Payments related to the IKC shall only take place upon use of the IKC and shall otherwise be forfeited.

Please also refer to the question "What is an allowable (eligible) cost for the activity?"

Please refer to the [General Clauses and Conditions for ESA Contracts \(ESA/REG/002 rev. 3\) Annex 1, Section 4](#) for the allowable costs.

What is an allowable (eligible) cost for the activity?

Allowable costs are cost elements (person-hours, goods or services) that are useful for the activity success and that are provided by any of the consortium members (Prime contractor and/or subcontractor/s). ESA will pay a certain percentage of these eligible costs (usually 50%) depending on the consortium entity composition (SME, non-SME, University, Research center).

Typical examples of allowable costs include:

- Direct Material Cost
- Direct Labour Cost
- Supplies
- Providing facilities
- Indirect costs (with some limitations)
- etc.

Any product/service/supply/facility provided to the consortium member free of charge by a third entity that is not formally part of the bidding consortium cannot be claimed as allowable costs. For example, if you have a customer willing to offer 100 hours of testing for your solution, this can only be an allowable cost if the customer is part of the consortium.

Please also note that hardware and software whose use is not limited to the InCubed activity shall be amortised over its lifetime and only the period (months) in which they will be used for the activity shall be listed as allowable/eligible activity costs.

Please refer to the [General Clauses and Conditions for ESA Contracts \(ESA/REG/002 rev. 3\) Annex 1, Section 4](#) for the allowable costs.

Consortium

Do I qualify as an SME ?

ESA follows the European Commission's definition of an SME. Please refer to the definition in the recommendation 2003/361/EC of the European Commission (<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32003H0361&from=EN>) and the EC summary page (https://ec.europa.eu/growth/smes/sme-definition_en).

Please note that some conditions apply for holdings.

Is there a limitation on where my customers can be based?

No. Your customers can be anywhere in the world. The only limitation is when your customer is a part of your consortium: in this case they have to be based in an ESA member state.

What is considered a supplier / subcontractor?

Suppliers are external providers to the activity, while subcontractors are part of the consortium.

Developments which are considered key for the activity shall be done by the prime or its subcontractors (they should not be done by suppliers / external providers). For example, if you are developing a satellite and a new instrument is needed, the development of the instrument shall be done by a consortium member and not by an external provider. Less important developments (e.g. the GUI of a software) may be outsourced to external providers. This rule does not prevent the prime or the subcontractor to procure COTS of any type that are needed for the success of the activity.

Moreover, any entity responsible for one or more work packages of the activity shall be treated as a subcontractor. In the ESA PSS forms (ESA Procedures, Specification and Standards Forms), all hours quoted shall be those worked by the Prime and its Subcontractors (partners in the activity). It is not allowed to quote hours of external providers of any kind, those costs shall be only listed in exhibit A to PSS-A2.

Which Entity shall be the prime?

The Prime must be an existing entity registered in esa-star, with the intent to commercialize the product developed under the InCubed contract. An academic player can be prime, but it would have to demonstrate commercial intent and comply to a maximum co-funding corresponding to that of a large entity.

In case a proposal includes the setup of a company/joint venture to commercialize the developed product during the contract, the prime shall be the main stakeholder and the contract may be transferred to the new entity via a Contract Change Notice.

Proposal preparation and submission

How can I speed up the application process?

You can...

- Read the proposal template instructions carefully to provide all the information requested at once (failing to do so puts you in the risk of having to resubmit or even getting a rejection)
- Work on Proposal Part 2 at your own risk even before the go-ahead to proceed to this stage, taking into account that you may not be granted a go-ahead to proceed or that you will be asked to apply major changes to your Proposal Part 1 based on ESA feedback. (N.B. You **MUST** wait for the approval of Proposal Part 1 to actually **submit** part 2)
- Respond to all our messages in a timely manner on the platform and communicate well in advance your targeted submission dates and any potential delays
- Submit your proposals ahead of the deadline communicated to you, also paying attention to the monthly gates for the Proposal Part 2.

How do I create a Bidder Restricted Area (BRA) on esa-star?

If you are not yet registered on esa-star, please do so asap. esa-star registration user manual can be found here : <https://esastar-emr.sso.esa.int/Account/DownloadFile>

Tutorial on how to open a BRA : http://www.esa.int/ESA_Multimedia/Videos/2016/03/Bidder_Restricted_Area_creation_and_structure

You should create a BRA asap once you've been granted permission to proceed to the Proposal Part 2 stage. Make sure that you change the default name "New Proposal" to a more significant name.

For any further questions on esa-star, please contact esait.service.desk@esa.int

How to communicate with the InCubed team and ask questions on my application ?

The preferred communication channel is directly on ideas.esa.int. Confidentiality is assured as the discussion section is accessible only to a very restricted number of ESA people, as well as the national delegations of entities involved in the consortium (except for ASI). Email and phone communications shall be avoided.

I need to add a major change to my proposal during the application process (ie. any time after the pitch session has happened). What should I do?

Any major change with respect to the pitch (like the addition of a subcontractor) should be at least notified and explained to ESA. You are required to be transparent towards ESA – we act as your partner in the activity and want to help you succeed.

I'm going to miss a deadline. What should I do?

Remember to actively communicate the status of your proposal to us. You shall request an extension of the deadline (just informing us is not enough), and you shouldn't consider the extension granted until an InCubed team member has confirmed this on the ideas.esa.int. In addition, we need your commitment to a new submission date, not just a supposition. Please note that the new deadline may require the approval of your corresponding national delegation(s).

You may be granted one extension to a deadline of submitting an application stage. Please be aware that ESA may reject your proposal at any time in case you do not respect the deadlines or fail to communicate to requested inputs. In the case of a rejection, you may be granted an opportunity to resubmit your proposal from scratch.

What is a typical application processing schedule / when should I do... / expect ESA to....?

Please refer to the application process (<https://incubed.esa.int/how-to-apply/>) and the timeline tool provided to you on ideas.esa.int to understand the typical time frame including mandatory application deadlines and ESA response times. Please note that all the dates in the tool are deadlines which we expect you to respect.

You can also submit your Proposal Part 1 earlier, which will make the overall application process faster. For example, you may have four weeks to submit a Proposal Part 1 but you manage to submit in two – ESA will target to provide the feedback within one week (assuming you have communicated your submission date well in advance), speeding up this particular *submission + feedback* -stage from five weeks to three weeks.

When shall I contact my National Delegate?

If a company in the consortium is Italian, no direct interaction with ASI is allowed. ESA is the only direct contact during the InCubed application.

For other Nationalities, the National Delegate(s) will be invited to the pitch by ESA. It is the responsibility of the bidder to contact the [National Delegate\(s\)](#) (see national delegation requirements here: <https://incubed.esa.int/national-requirements/>) after the approval of Proposal Part 1 to unlock the letter of support necessary for the submission of the Proposal Part 2. Other interactions are defined on a case by case basis.

Other

What is Background Intellectual Property?

Background Intellectual Property is a product's IPR that is needed to produce the result of a contract (e.g. another product or a service), but which is not created under this contract (instead, it has been created prior to or during execution of the contract).

The access to a background IPR product not created under ESA contract shall be granted for ESA use

1. free of charge (in fully funded contracts; for partially funded contracts the access is granted on favorable conditions to the contractor), and
2. fully, but only for the use under the new ESA contract and not for any other purpose.
3. If a 3rd party requires the use of the background IPR protected product, to modify/use it in another ESA contract, the license has to be granted but it can be at market rates.

Please refer to the [General Clauses and Conditions for ESA Contracts \(ESA/REG/002 rev. 3\)](#) for the complete definition of Background Intellectual Property rights.

What is object code?

Object code is the compiled version of the source code. It is machine-readable and gives little user-readable information. Therefore it is a secure method to distribute software. Upon the completion of your InCubed activity, we require you to give ESA access to the final product, either as object code or in the form of a link (e.g. to a web platform).