

Ministry of Economic Development, Job Creation and Trade

O-AMP: Ontario Automotive Modernization Program

Applicant Guide

1. Purpose of O-AMP

The Ontario Automotive Modernization Program (O-AMP) will support small and medium-sized automotive suppliers to improve their operational efficiency and competitiveness and/or expand their product offering through the adoption of Industry 4.0 related technologies, tools and technologies that support new product development and/or Lean Manufacturing processes. O-AMP is delivered by the Government of Ontario's Ministry of Economic Development, Job Creation and Trade (Ministry).

You can apply for up to \$150,000 to support a project with activities in one or both of the following categories:

A. Technology Adoption

O-AMP will provide support to eligible industry projects to adopt advanced manufacturing hardware, software and/or training to improve processes and enhance competitiveness, such as Enterprise Resource Planning (ERP) systems, production tracking systems and advanced hardware implementation. O-AMP will also provide support to eligible projects to adopt technology and tools to assist with the engineering and design of new products such as Computer-Aided Design & Computer-Aided Manufacturing (CAD/CAM) systems, Finite Element Analysis (FEA) software, Design for Manufacturing (DFM) tools, rapid-prototyping tools or other tools to support the New Product Introduction (NPI) process.

B. Lean Manufacturing

O-AMP will provide support to eligible industry projects to improve operational efficiency and competitiveness through the adoption of techniques related to Lean or Lean Manufacturing, and by procuring the services of an external mentor/consultant to assist with Lean implementation.

The mentors must be automotive industry experts with background and expertise in Lean Manufacturing process efficiency. The mentors will assist suppliers with specific business development needs. They will be identified through collaboration between the applicant company and the Automotive Parts Manufacturers' Association (APMA) or proposed by the company through the application and based on program guidelines and project outcomes. The services provided by the mentor will qualify as an eligible expense for approved projects.

2. Program Objectives

- Increase suppliers' ability to deliver shorter design cycle times so they can be more responsive to market changes and business opportunities with auto assemblers.
- Encourage the adoption of new technology – software and hardware – that increases efficiency, decreases costs or supports the development of new products.
- Increase sourcing capabilities at small- and medium-sized suppliers to enhance their ability to export.
- Help suppliers identify and solve manufacturing problems, such as production bottlenecks and other inefficiencies.
- Contribute to the development of capable, qualified and innovative suppliers that will be able to support auto assemblers in Ontario to remain competitive.

3. Eligibility

Are You Eligible to Apply?

Check the following criteria to determine if your business may be eligible to apply to O-AMP.

Eligible Companies:

- Small and medium-sized Ontario-based enterprises (firms with fewer than 500 employees in Ontario AND consolidated global revenues (e.g. sales) in its most recently completed fiscal year of less than \$1 billion) with a Business Number (BN).
- Must be in the automotive supply chain to original equipment manufacturers of passenger and commercial vehicles. Aftermarket parts industry is not eligible.
- At least 50 per cent of the company's total sales revenue must come from the automotive supply sector.
- Must be a for-profit legal entity or limited partnership duly registered to carry on business in Ontario.
- Must have a manufacturing location in Ontario by the time the project starts.
- Must have a minimum of two (2) consecutive years of financial statements (auditor or accountant reviewed).
- Must be in compliance with all applicable laws.
- Must be free and clear of any fees, levies, charges or taxes owed to Her Majesty the Queen in right of Ontario or any of her agencies.
- Must be in compliance with the *Accessibility for Ontarians with Disabilities Act, 2005*.
- Stacking with other provincial programs is not permitted. Funding from any federal sources and O-AMP combined for this project must not exceed 50% of the total project cost. A company that is currently receiving funding from another provincial program for an unrelated project is eligible to apply for O-AMP funding provided the O-AMP project is distinct and separate. If a business has previously been approved for a project under O-AMP, the project must have been successfully completed before a subsequent project will be considered.

Note: O-AMP is a discretionary, non-entitlement program. Even if you meet all of the program objectives and eligibility criteria, the Government of Ontario is under no obligation to approve funding for your proposed project.

4. Eligible Projects

Eligible projects must focus on either or both of the following elements:

1. Advancing production cycle management and capabilities, improving competitiveness and/or supporting the design, engineering or manufacture of new products through the adoption of advanced technologies (hardware, software) and/or training,

and / or

2. Operational efficiency and competitiveness improvements through the adoption of Lean Manufacturing practices. Adoption of advanced technology may be part of the overall project scope.

Eligible projects must also:

3. Be achievable (i.e., applicants need to have the necessary financing, project management structure and experience to implement the project),
4. Align with O-AMP's goals of economic gains, business improvements and operational improvements (e.g., cost savings, increase in revenue, and contributions to regional and/or automotive sector development), and
5. Be no more than two years in duration.

5. What Project Costs Are Eligible for Funding?

- Refer to the [Eligible Project Costs Guidelines for O-AMP](#) for full details.

6. Application and Evaluation Process

Prior to or during the preparation of an application to O-AMP, you have the option of contacting the Automotive Parts Manufacturers' Association (APMA) for assistance on developing and strengthening your application at o-amp@apma.ca.

You may also seek assistance from the Ministry's Senior Business Advisors to develop and strengthen your application. Contact information can be found below:

Business Advisory Services – Southwestern Region Main Office

- westernregionbas@ontario.ca
- Toll-free: 1-800-267-6592 ext. 224

Business Advisory Services - Central Region Main Office

- centralregionbas@ontario.ca
- Toll-free: 1-800-267-6592 ext. 224

Business Advisory Services – Eastern Region Main Office

- easternregionbas@ontario.ca
- Toll-free: 1-800-267-6592 ext. 224

Applications to the program must be submitted through the Transfer Payment Ontario (TPON) platform (see Section 10 below). To submit your application to TPON, you must include all of the following (only PDF format accepted):

- Completed TPON Application Form signed by an individual with the authority to bind your company.
- Copy of your Articles of Incorporation or Limited Partnership Agreement, as the case may be.
- Financial Statements (last two (2) consecutive fiscal years, auditor or accountant reviewed).
- Quotations from contractors/vendors for budget items.
- Letter of financial attestation from your CEO or CFO indicating that the company has the financial resources in place to complete the project. The letter must indicate the funding amount that the company will contribute to the project.

Only applications that are submitted on or before the application period's closing date will be assessed. Your application should be as detailed as possible as its assessment will be based on the information you provide in the application.

Tax Compliance Verification:

- You need to provide your organization's Tax Compliance Verification (TCV) number in your application form. If you don't already have one, you can learn how to generate your TCV number here: <https://www.ontario.ca/page/check-your-tax-compliance-status>.
- If your organization is approved for funding, you'll need to show us your TCV certificate before we disburse any funds. We require the certificate to ensure that your organization is compliant federally and provincially with its tax obligations.

Note: Working with an external firm for the purposes of preparing an application has no bearing on the success rate of an applicant being awarded funding. Applications may only be submitted by the prospective recipients – any applications submitted by a third party on behalf of an applicant will not be considered. Any costs associated with the use of a consultant for preparing an application are NOT eligible project costs under O-AMP. The primary contact on the application form must be an employee of the applicant company.

All applications must be submitted by the deadline outlined on the TPON website.

Evaluation Criteria

Applications are evaluated on their completeness, clarity, the feasibility of the project being proposed and its alignment with the goals and objectives of the O-AMP.

➤ **Smaller projects (up to \$50,000 of O-AMP funding)**

Following the submission deadline, applications will be assessed by a Review Committee comprising an external domain expert and Ministry reviewer(s). Reviewers will assess and score projects and make funding recommendations.

The Review Committee may at its sole discretion request presentations and/or site visits from an applicant to assist with the review of their project proposal.

➤ **Larger projects (\$50,000 to \$150,000 of O-AMP funding)**

Following the submission deadline, applications for larger projects will undergo a two-stage review process:

- The Review Committee will assess the project.
- Applicants whose proposals meet the objectives of O-AMP will be invited to deliver a presentation to the Review Committee. We may also request to visit the project site, particularly if your project has a Lean Manufacturing component.

The Review Committee will make funding recommendations based on the results of both review stages. Final funding decisions for all projects are at the Ministry's discretion.

7. Key Funding Conditions

- O-AMP will fund up to \$150,000 of eligible project costs for approved projects.
- No payments will be made until the funding agreement has been signed and any conditions for disbursement have been fulfilled.
- Sources of project financing and proof of insurance (minimum of \$2 million) must be in place before any funding disbursements can be made. Other conditions may need to be met before

disbursements are made. Insurance is not an eligible project cost and will not count towards the final project value.

- Successful applicants are expected to contribute at least 50 per cent to eligible project costs from their own business resources or through private/bank financing.

8. Funding Agreements

- Each successful applicant will be required to enter into a funding agreement with Her Majesty the Queen in right of Ontario on terms and conditions satisfactory to the Ministry.
- Prior to funding being disbursed, successful applicants are required to meet a number of conditions including evidence of project financing and insurance.
- Once funding agreements are executed and come into effect, successful applicants are obligated to report on a number of performance measures that will be outlined in the funding agreement. Performance measures are designed to indicate how well each successful applicant is achieving the commitments defined in its funding agreement.
- Funding agreements will each contain provisions requiring the funds to be repaid if performance measures and other terms and conditions of the funding agreement are not met.
- Ministry funding agreements require written assurance that the contracting organization is in compliance with all applicable laws, including accessibility legislation. Any outstanding compliance issues must be resolved before the contracting organization is eligible to receive funding.

Note: The scope of the project cannot be significantly altered after companies have presented their proposed projects to the Review Committee. In particular, total project costs may not be reduced by more than 10% of the original project cost prior to execution of a funding agreement with the Ministry. A reduction of more than 10% of the original total project cost may lead to an application being reassessed and/or deemed ineligible for funding.

9. Project Reporting and Claims for Eligible Expense Requirements

Interim Progress Report(s)

Interim report(s), including progress of project, proof of expenditures, and a request for disbursement shall be submitted halfway through the project.

Final Results Report

A final report including results of the project, achievement of key performance metrics, proof of expenditures, financial attestations, job status, and a request for disbursement will be required upon project completion. A successful applicant must submit its final report within thirty (30) days of project completion in order to be reimbursed for expenses incurred for eligible project costs.

Eligible Expense Claims for Interim Progress and Final Results Report(s)

Detailed reporting instructions will be sent to successful applicants at the time of contracting.

The Interim Progress Report(s) and a Final Results Report must be received and approved by the Ministry prior to the release of funds for eligible project expenditures.

Note: Successful applicants MUST retain all proof of purchases, receipts, and other relevant documentation related to expenses incurred for eligible project costs. These should be included in the Interim Progress Report(s) and Final Results Report. Companies must maintain all financial records (including original invoices of any items that have been purchased for the project and receipts or other evidence of payment for these items) for a period of seven (7) years from their creation.

10. Transfer Payment Ontario (TPON)

TPON is your source for grants provided by a number of Government of Ontario ministries. TPON provides you with one-window access to information about grants that are available to you, how to apply for grants and how to check the status of your application. Its website address is:

Ontario.ca/GetFunding

To participate in O-AMP, you must register with TPON.

To register:

1. Create your ONE-key account and ID. ONE-key is used for secure access to the Government of Ontario system. We strongly recommend that you create Account Recovery information during this process in case you forget your log-in information. Administrators are not able to retrieve ONE-key IDs.
2. Register your organization on TPON. The following items are required for registration: Canada Revenue Agency Business Number (CRA BN), Legal Name, Operating Name, and information on at least two contacts within the organization. Note: TPON could take up to 5 business days to process your request but is typically faster.
3. As soon as your organization is registered, you will see the “Funding Opportunities” button appear. From here you can apply for a grant or loan and manage your submissions. Please ensure you are applying during a time when the specific program is open for applications (details are available on the website for each program).

11. Confidentiality and Public Reporting

Freedom of Information and Protection of Privacy Act:

The Government of Ontario (Ontario) is bound by the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31 (FIPPA). Any information provided directly or indirectly to Ontario, including to the Ministry of Economic Development, Job Creation and Trade, may be subject to disclosure in accordance with FIPPA.

Projects funded by O-AMP may be publicly announced:

Ministries must publicly report annually on the status of business support programs and strategic investments, including project descriptions and project investment commitments, amount of government support, and results achieved to date.

12. Contact Information

Applicants have the option to contact the Automotive Parts Manufacturers' Association (APMA) for assistance in developing and strengthening their applications at o-amp@apma.ca.

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For inquiries specifically related to **navigating the online application system**, please contact TPON Client Care, Monday to Friday from 8:30 a.m. to 5:00 p.m. Eastern Standard Time at 416-325-6691 or 1-855-216-3090, or at TPONCC@ontario.ca.

For general inquiries and questions specifically related to contracting and funding claims, please contact the O-AMP delivery team at o-amp@ontario.ca.