

- Established by Congress in 1982 to incorporate small business technological innovation into Government-supported Research and Development programs.
- Small Business Administration manages the SBIR Program through 11 participating agencies.
- DoD has 12 components, including Army, Navy, and Air Force.
- Navy has 8 active players:
  - Naval Sea Systems Command
  - Naval Air Systems Command
  - Office of Naval Research
  - Strategic Systems Programs
  - Space and Naval Warfare Systems Command
  - Marine Corps Systems Command
  - Naval Facilities Command
  - Naval Supply Command
- NAVSEA has participated in SBIR since its inception.
- SBIR = Innovation = Better, faster, cheaper products and processes for Navy use
- Small Business Technology Transfer (STTR) is a sister program that utilizes universities, non-profit RI, or Federally Funded Research and Development Centers (FFRDCs)



## **SBIR Program goals:**

- Stimulate technological innovation
- Foster participation by socially and economically disadvantaged firms in technological innovation
- Increase small business participation in federally funded Research and Development
- Increase private sector commercialization of federal R&D

## **STTR Program goals:**

- Create vehicles for moving ideas from research institutions to market
- Enable researchers to pursue commercial application of technologies
- Bridge funding gap between basic research and commercial product



## **Phase I: Feasibility Study**

### **Concept Development / Feasibility Study**

- \$140K base contract, six months
- \$100K option for six months
- Options depends on transition interest



## **Phase II: Full Research, R&D to Prototype**

### **Technology Development for Prototype**

- \$1.6M base contract (\$600K for twelve months, \$500K option for twelve months, \$500K option for twelve months)
- Commercialization Readiness Program depends on potential for transition



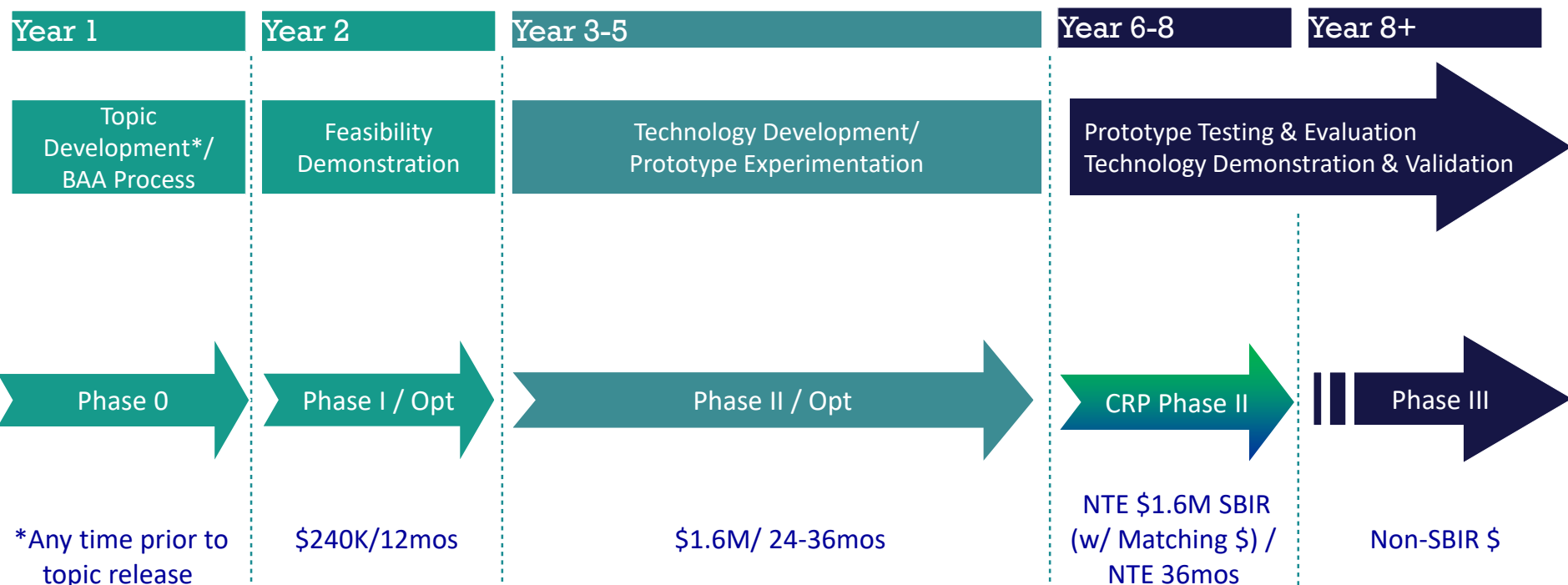
## **Phase III: Commercialization**

### **Demonstration / Implementation Commercialization**

- No Limit (Non-SBIR funds)

**SBIR / STTR Buys Research and Development, Not Parts and Services**

## Timeline

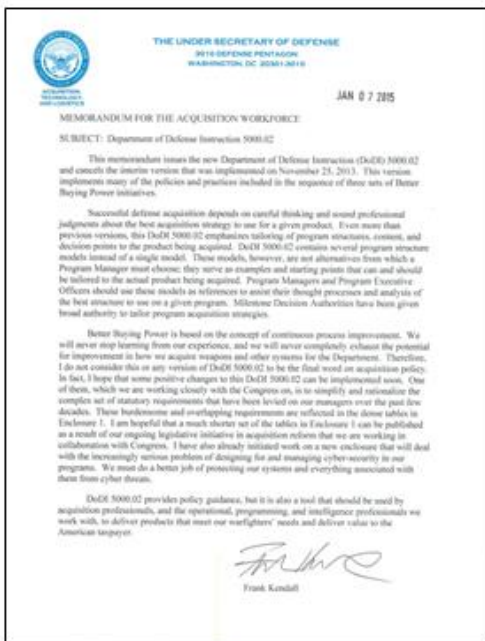


# “Tapping Into Small Business in a Big Way”



- Deputy Program Managers (DPMs) are tasked as the Small Business Advocates for their respective programs
- Programs Required to Formulate Small Business Strategy
- Promote Small Business Participation as Prime Contractors and Sub-Contract Provisions
- SBIR and STTR Require Unique Consideration

**Technology Managers can help Small Businesses become familiar with PEO goals**



- **Major Acquisition Programs (ACAT I-IV) must include SBIR/STTR in their acquisition plans**
  - Programs Managers will plan for SBIR/STTR technology insertion
  - For \$100M+ Contracts, SBIR/STTR Subcontracting Plans are Required
  - SBIR/STTR Data Needs to be Collected, Reported, and is Reviewed at every Milestone



A Small Business Concern (SBC) must satisfy the following conditions on the date of award for both Phase I and Phase II funding agreements:

1. Is organized for profit, with a place of business located in the United States, which operates primarily within the United States or which makes a significant contribution to the United States economy through payment of taxes or use of American products, materials or labor;
2. Is in the legal form of an individual proprietorship, partnership, limited liability company, corporation, joint venture, association, trust or cooperative, except that if the concern is a joint venture, each entity to the venture must meet the requirements set forth in paragraph (3) below;
3. Is more than 50 percent directly owned and controlled by one or more individuals (who are citizens or permanent resident aliens of the United States), other small business concerns (each of which is more than 50% directly owned and controlled by individuals who are citizens or permanent resident aliens of the United States), or any combination of these;
4. Has, including its affiliates, not more than 500 employees.

## SBIR:

- A minimum of 2/3 of the research and/or analytical effort must be performed by the proposing firm for Phase I.
- A minimum of 1/2 of the research and/or analytical effort must be performed by the proposing firm for Phase II.

## STTR:

- The proposing firm must subcontract a portion of the award to a research institution that is owned and operated exclusively for scientific or educational purposes, non-profit, and located in the US. Research institutions eligible to participate in the STTR Program include:
  - Nonprofit college or university
  - Domestic nonprofit scientific/research organization
  - Federally Funded R&D Centers (FFRDC)
- A minimum of 40% of the research and/or analytical effort must be performed by the Small Business.
- A minimum of 30% of the research and/or analytical effort must be performed by the Research Institution.



The DoD SBIR/STTR Program Management Office will release the SBIR/STTR instructions and topics on the Internet at (<http://www.acq.osd.mil/osbp/sbir/>). Potential offerors may review these topics and ask questions directly of the TPOCs or other SMEs.

The pre-release will include TPOC information which may include the names, telephone numbers, and e-mail addresses of assigned TPOCs, depending on the SYSCOM. The TPOC will be expected to respond to all questions received.

Small businesses may ask technical questions about the DoD SBIR and STTR topics by using the online DoD SITIS Q&A System, which is an anonymous electronic forum between participating small businesses and the DoD scientists and engineers assigned to SBIR and STTR topics. Small businesses may ask questions through SITIS electronically at <https://sbir.defensebusiness.org>.

SITIS should not be used to ask general questions about the program, proposal submission requirements, or the BAA; those questions should be directed to the DoD Help Desk at 800-348-0787, or email to [sbirhelp@bytecubed.com](mailto:sbirhelp@bytecubed.com).

Once the Announcements are open, no direct contact between offerors and TPOCs or SMEs is permitted. ***During this period, potential offerors can only ask questions directly through the SITIS Q&A System.*** SITIS resides on the DoD SBIR/STTR Web Portal at <https://sbir.defensebusiness.org/>, and allows offerors to continue to post questions for specific topics.

The SITIS System has the e-mail address of each topic author or subject matter expert and automatically forwards each question directly to the appropriate individual(s) via email.

SITIS Answers: The TPOCs must provide a response to SITIS within **seven (7)** days of when the question is received. If a response is not received in a timely fashion, SITIS will contact the individual via email to obtain the required response. All questions and answers are posted on the SITIS system, ensuring fairness to all offerors. ***Please note that SITIS is open for the duration of Pre-release and the first portion of the Announcement period, closing to new questions two weeks before the BAA closing date.*** SITIS will maintain all previously answered questions throughout the BAA period.

Important: If a potential offeror contacts the TPOCs or SMEs during the official BAA Open period, the TPOCs should instruct the small business proposer to post their question(s) directly on SITIS since no further direct contact is allowed after the Pre-release period has ended.

- Proposals contain the following information:
  - Phase I technical proposals, including resumes for key personnel, are page limited – see BAA for specifics.
    - Problem
    - Objective
    - Statement of Work
    - Related work
    - Relationship with future Research or (R&D)
    - Commercial Strategy/Key Personnel
  - Proposals are rated on three criteria areas:
    - Technical Merit
    - Quality of Personnel
    - Commercialization Potential
- Phase I Proposal template can located at [www.navysbir.com](http://www.navysbir.com) under the “Submissions Tab”
- Unsuccessful companies may request a debrief

# Phase II Initial and Full Proposal Submission Guidelines

- Awarding a Phase II is a two step process
- A Phase I company will first submit a Phase I Final Report and an Initial Phase II Initial Proposal
  - Phase I final report template can located at [www.navysbir.com](http://www.navysbir.com) under the “Submissions” Tab
  - Phase II Initial Proposal template can located at [www.navysbir.com](http://www.navysbir.com) under the “Phase II” Tab
- Once selected based on the final report and initial proposal, a company will then be invited to submit a Phase II Full proposal
  - Selected initial Phase II offerors will be notified to submit a full Phase II proposal for evaluation and selection
  - If selected, SYSCOM-specific full Phase II proposal instructions and templates will be provided by the SYSCOM
- Unsuccessful companies may request a debrief

- The **Program Manager** is responsible for the overall execution of the NAVSEA SBIR/STTR program and establishes policies, procedures, and practices to ensure the program is a success.
- The **Program Management Office (PMO)** has overall responsibility for approving and processing all contracting requests. The PMO assists the Program Manger in all aspects of ensuring the program's success.
- **PEO Technology Managers (TM's)** are responsible for their respective PEO SBIR/STTR project portfolios to include topic development and spend plan management.
- **PEO Coordinators** assist the Technology Managers in their role to ensure program success at the PEO level.
- The **Technical Point of Contact (TPOC)** is responsible for monitoring the technical progress of the SBIR/STTR contracts to ensure the small business is fulfilling the contract's requirements within cost and schedule.
- **Topic Authors** are responsible for writing the topics released during the SBIR/STTR Broad Agency Announcements (BAA's).
- **Topic Proposal Evaluators** reviews proposal that come in from small businesses responding to BAA topics.

- **CRP refers to Commercialization Readiness Program projects where a subsequent (second) Phase II contract is awarded to a Company. Requirements include:**
  - CRPs will only be issued for three years or less
  - One for one matching of SBIR/STTR funds over \$1.5M with non-SBIR/STTR funds is required, and must be received concurrently
  - All matching non-SBIR/STTR funds must be placed on the associated SBIR/STTR Phase II contract
  - Contract structure must be consistent with SBIR/STTR and non-SBIR/STTR matching funds
  - Only one CRP project per contractor per topic will be allowed
- **Reachbacks Refers to “reaching back” to an old SBIR that has not yet accrued \$3.0M in SBIR funding in Phase II. Requirements include:**
  - Reach Back SBIR/STTR projects must follow the same funding and duration rules as in-cycle Phase II awards.
  - If the SBIR/STTR funding will go beyond \$1.5M, a CRP must be requested instead of a Reach Back.

- **SBIR/STTR Data Rights are Unique**
  - Data is delivered to the Government and gets a royalty free government purpose license
  - SBIR/STTR protections noted on the deliveries
  - The Government must protect those rights for 5 years after the last deliverable on the last contract – applicable to contracts awarded prior to 2 May 2019
    - For contracts issued after 2 May 2019, the Government must protect those rights for 20 years from the date of contract award
  - Must get Small Business approval to provide data to others and get Non-Disclosure Agreement from the other company
  - SBIR/STTR data right are defined in FAR and DFAR 252.227-7018
  - All Intellectual Property is retained by the company
  - The Government can release for form, fit, and function
  - Best to just stay out of the middle!
- **The law says the Government to the greatest extent practicable should award Phase III follow on work to the SBIR/STTR firm**
  - This statute justifies sole source follow-on contracts
  - The requirement for competition has been satisfied in Phases I and II
  - There is no limit on the value, timing, or number of Phase III contracts
  - Funds come from a Program Office (not SBIR/STTR “seed” funding)
  - Phase III Guidebook is available at [www.navysbir.com](http://www.navysbir.com)



# Navy SBIR/STTR Websites

- Information on the SBIR/STTR programs: [www.sbir.gov](http://www.sbir.gov)
- Information specifically for the Department of Defense SBIR/STTR Programs: [www.sbir.defensebusiness.org](http://www.sbir.defensebusiness.org)
- Information specifically for the United States Navy SBIR/STTR Program: <http://www.navysbir.com>
- Information on past Navy SBIR/STTR Topics: <http://www.navysbirsearch.com>