NAVSEA
NAVAL SEA SYSTEMS COMMAND

Naval Sea Systems Command

Small Business Innovation Research (SBIR)
Small Business Technology Transfer (STTR)

2021

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What Is SBIR/STTR?

Small Business Innovation Research (SBIR)

- Established by Congress in 1982
- Funds Research & Development (R&D) at small businesses (≤ 500 employees)
- Increases small business participation in federally funded research and development
- Stimulates technological innovation and increase private sector commercialization of federal R&D

Small Business Technology Transfer (STTR)

- Established in 1992
- Funds cooperative R&D between small businesses and research institutions
- Creates vehicles for moving ideas from research institutions to market
- Enable researchers to pursue commercial application of technologies

Navy SBIR/STTR

- 8 Organizations Actively Participate
  - NAVSEA, NAVAIR, ONR, SSP, NAVWAR, MARCOR, NAVFAC, NAVSUP
- NAVSEA has 6 SBIR/STTR Teams
  - PEO IWS, PEO SHIPS, PEO USC, PEO CV, PEO SUBS, HQ & DIR
- Better, faster, cheaper products and processes for Navy use
- Address Department of Navy needs by commercializing innovative R&D

DoDINST 5000.85

- DoDINST 5000.85 (3C.3.a(1)(c)) requires that Acquisition Strategies must reflect the PMs understanding of the small business strategy
- DoDINST 5000.85 (3C.3.a(4)(b)) requires Acquisition Strategies provide opportunities for small businesses

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SBIR/STTR – Three Phase Program

Phase I:
Concept Development & Feasibility Study

- **$240k Contract (SBIR/STTR Funds)**
  - $140K base - 6 months
  - $100K option - 6 months

Phase II:
Full Research, R&D to Prototype

- **$1.7M Contract (SBIR/STTR Funds)**
  - $700K base - 12 months
  - $500K option – 12 months
  - $500K option – 12 months
- **Commercialization Readiness Prog.**
- **SBIR/STTR Transition Program (STP)**

Phase III:
Commercialization

- **No Funding Caps (Non-SBIR/STTR $)**
  - No limit on number of awards
  - Can be sole-sourced

- **Managed & Funded by the NAVSEA - SBIR/STTR Program Office**
  - **SBA adjusts cost ceilings each year for inflation**

- **Selected, Funded, and Awarded by Navy PMOs & Contracting Orgs**

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

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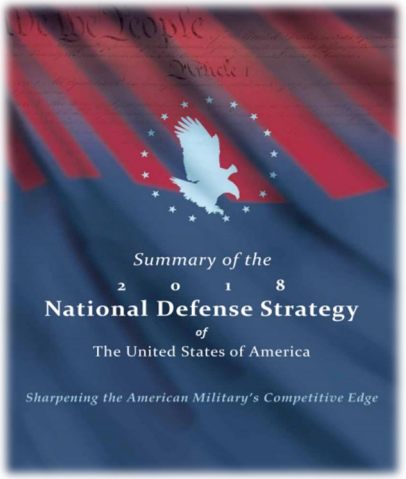
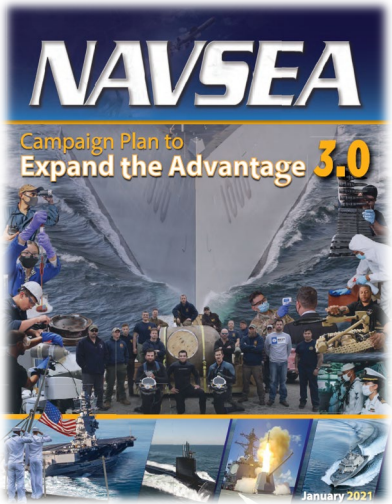
Strategic Focus Areas

National Defense Strategy

- **Reform the Department for Greater Performance & Affordability**
- **Preparedness for War Sustainment & Readiness**
- **Build a More Lethal Force**
  - Operational Concepts
  - Lethal, Agile, and Resilient Force
  - Modernize Key Capabilities
  - Cultivate Workforce Talent



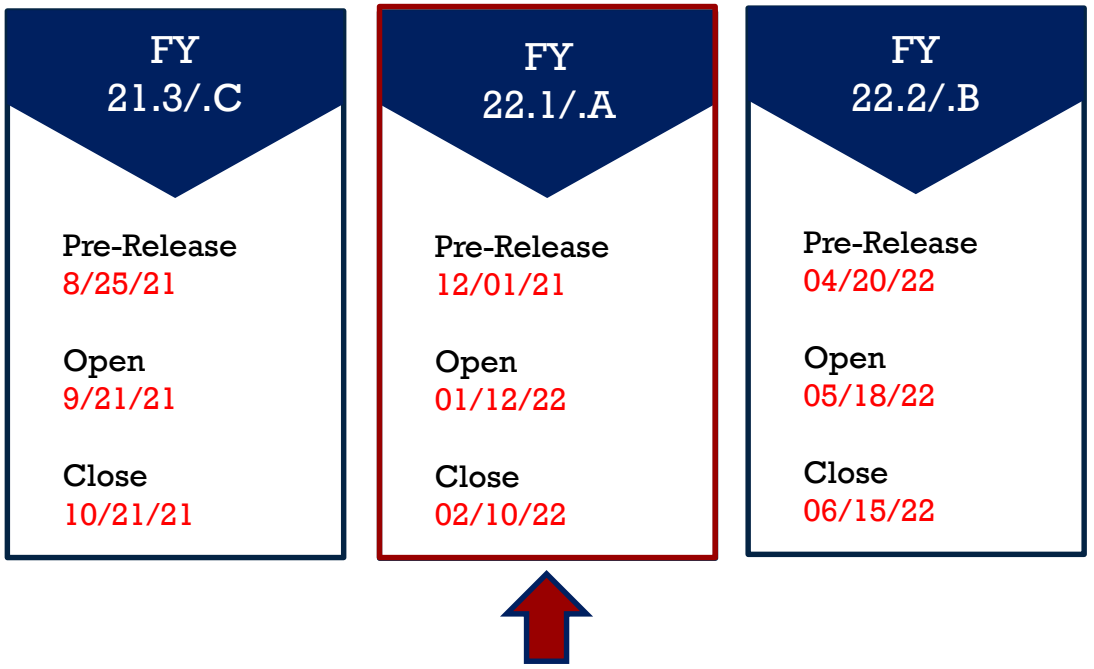


NAVSEA Campaign Plan 3.0

- **Deliver Combat Power: On-Time Delivery of Combat-Ready Ships, Submarines, and Systems**
- **Transform Digital Capability**
- **Build a Team to Compete and Win**

Traditional Solicitation Schedule

- **Broad Agency Announcements (BAAs)** are released 3 times a year
- A DoD Agency-wide announcement includes:
  - DoD Instructions
  - Service/Component Unique Instructions
  - SBIR/STTR Topics
- Not all Components participate in each solicitation.
- Multiple solicitations provide opportunities to participate throughout the fiscal year.



NAVSEA typically participates in FY XX.1/A
(Contains the largest number of topics)

Occasional and limited participation in
FY XX.2/B and FY XX.3/C calls if funding permits

Dates subject to change

Reachback

- **After 2013, Phase II awards were limited to two per topic per company**

- **SBIR/STTR Policy directive states there is no time limit between SBIR contract awards**

- **"Reaches back" to an older topic that has not yet accrued up to $1.7M in SBIR funding in Phase II**
  - If this has accrued $1.7M in SBIR funding, the request must be submitted as a CRP project
  - Topic must be seeking innovation and R&D; cannot be used as a means of procurement
  - Reachback requires a strategy to transition technology to the warfighter

- **As long as work is within the scope of topic, we can award a Phase II. *For example:***
  - Company won a Phase I in 2015 for $150k
  - Phase 1 completed but no funding was available for Phase II in 2016
  - In 2018 a need arose where the work done in Phase I was applicable
  - A Phase II was requested; for $1.7M
  - In parallel, paperwork for a Phase III contract was started for $25M

Commercialization Readiness Program (CRP)

- **CRP (also known as Phase II.5), requires that the program office have one to one matching Non-SBIR funds available after the project has reached the $1.7M SBIR funding threshold**
  - CRP requires a strategy to transition technology to the warfighter
  - Topic must be seeking innovation and R&D; cannot be used as a means of procurement

- **The purpose of a CRP project is to:**
  - Provide additional funding for SBIR/STTR technologies, products, and services that have potential for rapid transition to Phase III and into the acquisition process
  - Accelerate the transition of technologies, products, and services developed under the SBIR/STTR Programs

- **With the matching funds requirement, a company can receive up to a possible $3.4M ($1.7M SBIR and $1.7M Non-SBIR) to assist projects with strong transition paths. Contract value can be higher but SBIR/STTR $ stops here.**

- **Matching funds must be placed on the associated Phase II contract**

Data Rights

- **SBIR/STTR Data Rights are Unique**
  - Applies to all SBIR/STTR awards that fall within the statutory definition of Phase I, II, or III, as described in § 4 of the SBA Policy Directive.
  - **Restricts the Federal Government's use and release of properly marked SBIR/STTR Data only during the SBIR/STTR Protection Period; after the protection period, the Federal Government has a royalty-free license to use for Government Purposes.**
  - Gov. must protect data for 20 years from beginning of award/Funding Agreement on contracts after 2 May 2019. Contracts prior include 5 year renewable protection.
  - **SBIR/STTR Data Rights are defined in FAR and DFAR 252.227-7018**
  - An SBC retains title and ownership of all SBIR/STTR Data it develops in the performance of an SBIR/STTR award and retains all rights not granted to the Government. These rights of the SBC do not expire.
  - **Data that is delivered must be marked with the appropriate SBIR/STTR Data Rights legend or notice, in accordance with agency procedures.**

- **SBIR/STTR companies cannot be pressured or coerced to relinquish, transfer, modify, or make data rights a condition for Phase III awards**

- **Future company value is based on the Intellectual Property and Data rights – <u>so protect them</u>!**

SBIR/STTR Data Rights Belong to the Small Business!

Phase III – It's Not Just Data Rights

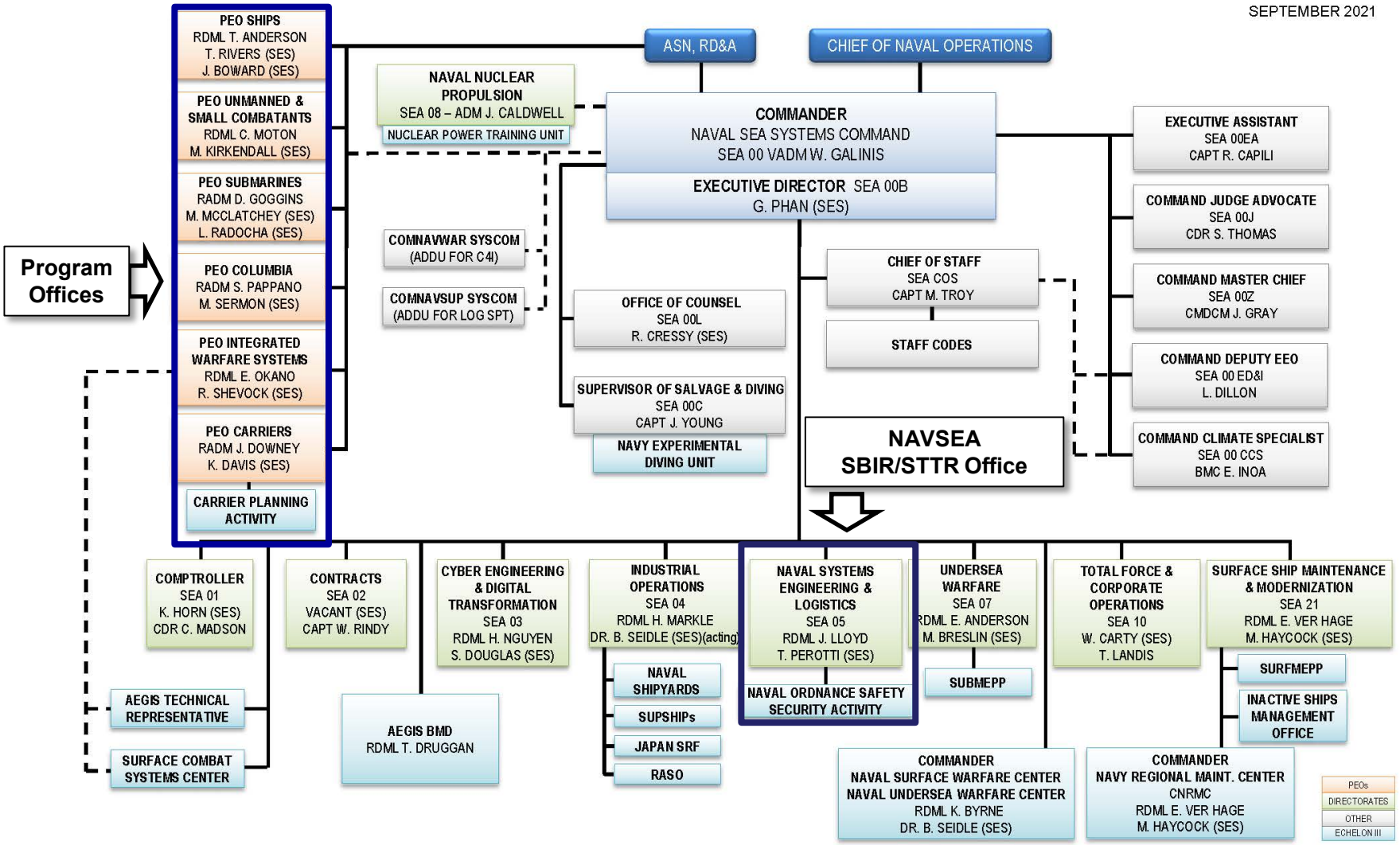
Phase III Requirements:

- **The Government must award Phase III contracts to SBIR/STTR firms that developed the technology to the greatest extent practicable**
  - This statute justifies sole source follow-on contracts
  - The requirement for competition has been satisfied in Phases I and II
  - The Federal Government may terminate the Funding Agreement under certain conditions.
- **The Government must notify the SBA if it intends to pursue R/R&D, production, services, or any combination thereof of a technology developed under an SBIR/STTR award, with an entity other than that SBIR/STTR awardee**
  - The SBA can compel Government (DoD) to terminate a contract if that contract should have gone to the SBIR/STTR company
- **For Phase III SBIR/STTR awards, it is sufficient to state for purposes of a Justification and Approval, if one is deemed required by the agency, that the project is an SBIR/STTR Phase III award that is derived from, extends, or completes efforts made under prior SBIR/STTR Funding Agreements and is authorized pursuant to 15 U.S.C. 638(r)(4). Further justification is not needed**
  - There is no limit on the value or number of Phase III contracts.
  - Phase III funds come from a Program Office (NOT SBIR/STTR "seed" funding)

NAVSEA SBIR/STTR Functional Organization

Command Leadership

SEPTEMBER 2021



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NAVSEA SBIR Functional Organization

NAVSEA

NAVSEA Executive Committee ← **SEA 00B, PEO Executive Directors**

NAVSEA SBIR/STTR Program Office
Acting Leadership
Ryan Blondino / Jason Schroepfer

HQ, DIR, & PEO - SBIR/STTR TMs → **NAVSEA SBIR/STTR Working Group**

PEO CV	PEO IWS	PEO USC	PEO SHIPS	PEO SUBS	HQ & DIR
Technology Manager	Technology Manager	Technology Manager	Technology Manager	Technology Manager	Technology Manager
Richard Park	Douglas Marker	Jennifer Greenwood	Robert Mitchell	Roberto Sanchez	Ryan Blondino
Focuses on the design, construction and delivery, and life-cycle support of all aircraft carriers and the integration of systems into aircraft carriers.	Manages surface ship and submarine combat technologies and systems, and coordinates Navy Open Architecture across ship platforms.	Responsible for the design, development, build, maintenance, and modernization of unmanned maritime systems, mine warfare systems, and small surface combatants.	Manages acquisition and complete life-cycle support for all U.S. Navy non-nuclear surface ships.	Focuses on the design, construction, delivery, and conversion of submarines and advanced undersea and anti-submarine systems.	Focuses on the engineering, design, construction, and delivery requirements for NAVSEA HQ & Directorates, including Diving & Salvage Operations

Questions?