

**Air Force Topic
Phase II Proposal Instructions
For
Weapons Pitch Day**

*Proposals will not be evaluated if submitted after the deadline. No exceptions will be made, including for IT issues encountered during electronic submission site upload. **CLASSIFIED PROPOSALS WILL NOT BE ACCEPTED; PROPOSALS SHOULD NOT CONTAIN ANY CLASSIFIED INFORMATION OR DATA.***

I. NOTIFICATION

This effort will result in a direct to Phase II award. Each firm must qualify as a small business concern as defined in section VI(1) at the time of Phase II award. The Government is not obligated to make any awards under Phase II, nor is it responsible for expenditures by the offeror prior to award of a contract. All awards are subject to availability of funds and successful negotiations.

II. WEAPONS PITCH DAY

To be selected for a direct to Phase II award, firms must follow a two-step process. Firms do not have to have a Phase I award. The first step is to submit a Phase II proposal. This proposal will be used to identify offerors that will be invited to present their solutions and technologies to a panel of AF personnel on Pitch Day, 4 June 2020, at the Doolittle Institute in Niceville, FL. Prior to the event, offerors selected to pitch will receive information for making a live pitch to the Air Force team. The second step toward receiving an award requires the offeror to physically attend the Air Force Pitch Day event to present and explain its solution and technology using an updated and reduced version of the slide deck (suitable as a contract deliverable) that was included in the original Phase II proposal. Companies must be present at the event and complete their pitch to AF evaluators in order to be considered for award. The presentations will be evaluated by a panel against the evaluation criteria found in Section V of the Attachment B (**Proposal Instructions for Weapons PEO Pitch Day**) (page 21- 23).

Once the pitch presentation and evaluation are complete, all offerors will be immediately notified as to selection or non-selection for Phase II award. Selectees should be ready to sign and receive a contract at the Weapons Pitch event. Immediately after award, companies will submit the first contract deliverable, i.e., the Pitch Day presentation, and receive first payment of \$50,000. The payment will be made via a Government Purchase Card (GPC). Companies must be able to receive payment from a GPC credit card at the Pitch Day event. The preferred method of payment is to use awardees' Mobile Credit Card Reader or similar device. All other payments under the Phase II contract will be made via Wide Area Workflow (WAWF) electronic payment means.

Fully SBIR-funded Phase II: Proposed efforts may be up to \$1,000,000, with a 15-month maximum period of performance. This includes 12 months for technical effort and three months for reporting. Please include a base effort valued up to \$750,000 with an option valued at up to \$250,000, for a total value not to exceed \$1,000,000. Companies with solutions requiring further

development before pursuing a SBIR Phase III award may apply. For example, an award from this event could provide additional funds to further refine the non-Defense commercial solution to meet the needs of a specific Air Force End-User and Air Force customer. These Phase II awards are intended as a path to full commercialization, not the final step for the proposed solution. This topic may also utilize the SBIR Phase II process for adding work and funds. <https://www.acq.osd.mil/osbp/sbir/sb/Phase2qualification.shtml> .

III. PROPOSAL SUBMISSION

SPECIAL NOTE: The AF SBIR/STTR Program Office has instituted training and certification requirements to combat suspected fraud in the SBIR/STTR program. As a result, small business offerors are required to complete Fraud, Waste and Abuse Training as part of the Phase II proposal submission process. When training is complete and certified, the DoD Submission Website will indicate so in the proposal, completing the Volume 6 requirement. The submitter cannot complete submission until training is completed.

<https://www.sbir.gov/tutorials/fraud-waste-abuse/>

All proposals must be submitted electronically to Mr. Todd Davis (todd.davis.16@us.af.mil) (850)882-0156 and Mr. Julian Thornton (julian.thornton.2@us.af.mil) (850)883-4511 on or before **15 April 2020, 4:00 P.M. (CST)**. The preferred submission format is Portable Document Format (.pdf). Graphics must be distinguishable in black and white. **VIRUS-CHECK ALL SUBMISSIONS.**

Phase II proposals require a comprehensive, detailed effort description. Proposals should demonstrate promising and relevant commerciality, technology and military (dual-use) potential.

All Phase II R/R&D must be performed by the small business and its team members in the United States. The Phase II principal investigator's primary employment must be with the small business concern at the time of award and during the entire proposed effort. Primary employment is defined as more than one-half of the principal investigator's time spent working for the small business. This precludes full-time employment with another organization.

Knowingly and willfully making false, fictitious, or fraudulent statements or representations may be a felony under the Federal Criminal Statement Act, 18 U.S.C. Section 1001, punishable by a fine up to \$10,000, up to five years in prison, or both.

These instructions take precedence over conflicting information in other SBIR or Broad Area Announcement (BAA) instructions. However, for items not mentioned in this document, information contained in other SBIR or BAA instructions may still apply. Seek necessary clarifications from the AF POC's identified above.

IV. PHASE II PROPOSAL PREPARATION INSTRUCTIONS

A. Proposal Requirements. A Phase II proposal should provide sufficient information to persuade the AF the proposed effort represents an innovative problem solution worthy of support under the stated criteria. All sections below count toward the page limitation, unless otherwise specified.

B. Proprietary Information. Information constituting a trade secret, commercial or financial information, confidential personal information, or data affecting national security must be clearly marked. It shall be treated in confidence to the extent permitted by law. Awards for selected proposals will likely incorporate your proposed Work Plan, in whole or part, by reference or as an attachment. Therefore, please **ensure the Work Plan is non-proprietary**. See the DoD 19.2 SBIR BAA, Section 3.9 for the definition of Proprietary Information and Section 5.3 for Proprietary Information marking.

C. General Content. Proposals should be direct, concise, and informative. Type shall be no smaller than 12- pitch or 11-point, on standard 8 1/2" X 11" paper, with one-inch margins and pages consecutively numbered. Offerors are discouraged from including promotional and non-programmatic items, except when directed, e.g., in the '1-pager' and the '100-second video'. The proposal shall constitute six volumes:

Volume 1: DoD Coversheet

Volume 2: Technical Volume

Volume 3: Cost Volume

Volume 4: Company Commercialization Report (CCR)

Volume 5: Supporting Documents

Volume 6: Fraud, Waste, and Abuse

1. VOLUME 1: DOD COVERSHEET

The Cover Sheet must include a brief technical abstract of no more than 200 words describing the proposed R&D project, including discussion of anticipated benefits and potential commercial applications. **Do not include proprietary information in the Proposal Cover Sheet.** If the proposal is selected for award, the technical abstract and discussion of anticipated benefits may be publicly released.

1.1 Technical Abstract

The technical abstract should include a brief description of the program objective(s) and the effort. Technical abstracts will be submitted to the Office of the Secretary of Defense (OSD) for publication. Therefore, they shall not contain proprietary information. The term "Component" on the coversheet refers to the Air Force organization requesting the Phase II proposal.

1.2 Anticipated Benefits/Potential Commercial Applications of the Research or Development

The first line of the ‘Anticipated Benefits’ section should use the following format: *We solved [AF problem] by providing [advantage], to help [AF End-User] accomplish [AF End-User’s goal].*

Be very explicit regarding the proposed AF end user, the proposed AF Customer (if different, which is likely), and potential sources of non-SBIR funding after successful Phase II contract completion. This list should also include non-proprietary, non-Defense commercial customers if applicable. Do not include specific AF names or non-Defense customers, as this section will be publically released.

1.3 List of up to 8 Key Words or phrases, separated by commas, describing the project. This section will be used to categorize the application. These keywords may also be used to identify additional Phase III transition partners within the Government. Therefore, consider more than technical key words. A potentially useful analogy to this section is Search Engine Optimization (SEO) Keywords.

1.4 Prior, Current, or Pending Support of Similar Proposals or Awards

WARNING: While permissible, with proper notification, to submit identical proposals or proposals containing a significant amount of essentially equivalent work under more than one Federal announcement, it is unlawful to enter into contracts requiring essentially equivalent effort. Potential for this situation must be disclosed to the announcement agency (ies) before award. Proposals substantially the same as another submission previously, currently, or in process of being funded by another Federal agency/AF or the same AF must be identified. On the proposal coversheet, answer ‘Yes’ to the following (or similar) question, “Has a proposal for essentially equivalent work been submitted to other US government agencies or AFs?”

2. VOLUME 2: TECHNICAL VOLUME

The technical volume shall be no longer than 10 pages. Pages beyond 10 will not be reviewed. Include page numbers in the technical volume.

2.1 Table of Contents: Include a table of contents immediately following the cover sheet.

2.2 Glossary: Include a glossary of acronyms and abbreviations used in the proposal.

2.3 Technical Summary:

2.3.1 Identification and Significance of the Problem or Opportunity: Briefly describe the specific problem/opportunity.

2.3.1.1 Non-Defense Commercial Solution: Describe the non-Defense commercial solution, including its use by non-Defense commercial customers. Describe its technical specifications as well as the qualitative and quantitative

value it brings to users of the solution(s). Additionally, please answer the following questions:

- Is the proposed item “of a type”, i.e., similar to a commercial item, customarily used by the public or by nongovernmental entities for nongovernmental purposes?
- Has proposed item been (i) sold, leased, or licensed to the public; OR (ii) offered for sale, lease, or license to the public?

2.3.1.2 Proposed Adaptation of Non-Defense Commercial Solution: Describe the proposed adaptations of the non-Defense commercial solution to meet a US Government End-User need. In this section, please answer the following questions:

- How similar is the modified item to others sold in the commercial marketplace to non-US Government customers?
- Does the supplier perform similar modifications for non-US Government customers?
- Do the DoD unique modifications change the essential use and purpose of the product?
- Are there differences in the production/manufacturing/delivery processes used to perform the modification for Federal Government versus non-Government customers?
- What are the quantitative benefits expected for identified Air Force End-Users?

The following Phase I information is typical of a Phase I type contract

2.3.2 Phase I ‘Feasibility Study’ Results: The proposal shall detail the solution’s ability to meet Air Force End-Users’ and Air Force Customers’ needs. These results shall be framed in the context of Air Force End User and Customer Exploration performed previously for the effort.

2.3.2.1 Breadth of Air Force/US Government End-User/Customer Exploration: Include specific numbers on outreach such as:

- Total Federal Government contacts attempted
- Total Federal Government contacts reached
- Successful contacts over e-mail
- Successful contacts over phone
- Successful contacts in person
- Number of Federal Government organizations contacted
- Number of Federal Government organizations reached
- Number of USAF organizations contacted
- Number of Federal Government organizations reached

2.3.2.2 AF Customer Exploration Methods: Describe methods, both successful

and unsuccessful, used to perform feasibility analysis/AF Customer Exploration for adapting the non-Defense commercial solution to a specific AF End-User's needs.

2.3.2.3 Empowered and Committed AF End-Users: List and describe specific Air Force End-Users willing to trial the proposed solution in a Phase II, e.g., through a Memorandum of Understanding (MOU). Specifically explain how the proposed solution meets the need(s).

2.3.2.4 Empowered and Committed US non-AF Government End-Users: List firm commitments, e.g., through an MOU, received from additional US Government End-Users directly related to the proposed solution. MOUs must be uploaded to the 'Letters of Support' section in Volume 5, Supporting Documents.

Relevant supporting data such as journal articles, literature, Government publications, etc., should be contained or referenced in the proposal and will count toward the page limit.

2.3.3 Phase II Technical Objectives and Key Results: Describe clearly three to five SIBR Phase II trial objectives. These objectives should be tied to specific tasks proposed for the Phase II trial. These objectives shall be qualitative, but specific to the participating AF End-Users. The objectives shall be tied to specific time periods, tangible, and unambiguous about anticipated results. These objectives shall describe end-state outcomes (what will be done) rather than processes or activities (how it will be done). Each objective shall be accompanied by three to five specific 'key results' measurable throughout Phase II performance. These key results will likely be quantitative in nature, e.g., deliver X widgets to AF end user; non-quantitative key results shall be clearly measurable.

2.3.3.1 Required Stakeholders Needed to Accomplish Phase II: List anticipated interactions with Stakeholders necessary to accomplish a Phase II trial. Such Stakeholders may include lawyers, test range officials, information assurance officials, system program office engineers, etc. Clearly describe requirements for Phase II trial completion not within the offeror's immediate control and plans to work within those constraints.

2.4 Phase II Work Plan: For this Phase II topic, a Work Plan, **not** a Statement of Work, is required. The intent is to award contracts for *what* will be done, rather than *how* the work will be done. As such, the Work Plan should be structured around the effort's purpose and requirements set forth in clear, specific, and objective terms with measurable outcomes. The work plan has two mandatory features: (1) Work stated in terms of outcomes or results, rather than performance methods; and (2) measurable performance standards, including assessment methods for these standards. The plan should include the planned location and mechanics for accomplishing the proposed approach.

2.4.1 Scope: List the major requirements and specifications for the effort.

2.4.2 Task Outline: Provide an outline of work to be accomplished throughout the effort.

2.4.3 Milestone Schedule: The maximum period of performance for a Phase II contract under this topic will be 15 months for a fully SBIR-funded Phase II. Include a concise program schedule with all key milestones identified. Propose a suggested start date, usually ~2 months after Phase II submission deadline. Please include in your proposal a base effort valued up to \$750,000 and an option valued up to \$250,000 for a total value not to exceed \$1,000,000). Milestones for the base effort shall not exceed 15 months with the option exercised concurrently with the base effort and shall not to exceed 15 months. With each milestone, include:

- An expected delivery date, represented in number of months after contract award, e.g., widget delivered at contract award (CA) + 6 months.
- A specific deliverable of value to be provided to the AF End-User.
- Clear acceptance criteria for all parties to determine milestone achievement.
- Proposed milestones/deliverables shall not exceed ten (10) for fully SBIR-funded Phase IIs. Three shall be included in the base effort, including a refined Work Plan (15 days), a Final Technical Report (90 days), and an intervening milestone/delivery at the offerors' discretion.

NOTE: Upload suggested payment amounts/references to rationale/supporting information in "Additional Cost Information", Volume 5, Supporting Information.

NOTE: If proposing to work with multiple AF End-Users, MOUs must be consolidated into a single, coherent, mutually agreed upon Schedule of Milestones meeting all proposed AF end-users approval.

Below is a **notional** chart for constructing the Schedule of Milestones. Each milestone marks the completion of a required deliverable, e.g., baseline execution plan, prototype component, test plan, prototype production, final report submission, etc. Status reports cannot be milestones. Describe how the milestones will be identified as completed. Milestone payments shall reflect justifiable costs to achieve milestone completion. Supporting rationale, e.g., invoices from non-Defense commercial customers, will be included in Volume 5: Supporting Documents. NOTE: Pricing information from non-Defense commercial customers is likely proprietary and should be marked as such. See the 19.2 DoD SBIR BAA, Section 3.9, for the definition of Proprietary Information, and Section 5.3 for Proprietary Information marking guidance.

Please note Milestone 01 shall be Deliver Pitch Presentation, at award+1 minute for \$50,000 exactly. All other milestones are tailorable. Additionally the payment for Milestone 01 will be made via GPC. All other payments will be made via WAWF electronic payment means. Companies must be able to receive payment from a GPC credit card at the Pitch Day event.

<u>TASK/MILESTONE</u>	<u>EXPECTED DELIVERY (MONTHS AFTER CONTRACT AWARD)</u>	<u>DELIVERABLE</u>	<u>ACCEPTANCE CRITERIA</u>	<u>PAYMENT AMOUNT</u>
01 – Deliver Pitch Presentation	Award +1 minute	Slide deck used for j Pitch Presentation	AF receives pitch presentation slide deck	\$50,000 (Paid via Government Purchase Card)
EXAMPLE: 02 - Deliver 3 adapted commercial widgets	Award + 4 months	Three adapted widgets will be delivered to the AF End-User meeting specifications described in task 01.	The AF End-User physically accepts the adapted widgets	\$250,000 (EVIDENCE: 2018 sales of non-Defense commercial widget)
EXAMPLE: 03 - Training for using widgets	Award + 4 months	The solution provider will train 3 AF End-Users on the adapted solution in their operational environment.	The 3 AF End-Users verify training is sufficient to use the adapted widget.	\$75,000 (EVIDENCE: Invoice from pilot program with non-Defense Customer A)
EXAMPLE: 04 - Test support for widgets	Award + 12 months	The solution provider will support the test, producing a report regarding success of adapted widget' performance to solve the AF	The test report will be endorsed by the AF End-Users, confirming test results.	\$100,000 (EVIDENCE: invoice from pilot program with non-Defense Customer B)

		users' needs as described in task 01.		
EXAMPLE: 05 - Warranty for widgets	Award +15 months	The adapted widgets shall remain in a workable condition throughout the contract	The AF End-Users verifies widgets worked during entire contract's performance.	\$100,000 (EVIDENCE: Invoice from pilot program with non-Defense Customer C)

In addition to milestone/delivery information in the technical volume, offerors shall submit a final milestone/delivery Excel document. The template, which shall be used as the document's basis, is available at *include link*. The submitted document shall be entitled "[*Proposal Number*], Weapons PEO Pitch Day, [*Company Name*]". Proposal numbers are formatted as F2-12345 (*example only*). The completed document will be provided to the contracting officer, Mr. Todd Davis, at todd.davis.16@us.af.mil. Documents shall be entitled "AF192-001 Phase II MILESTONE EXCEL FILE, [*Proposal Number*]". Offerors' submissions must be received no later than 15 April, 2020, 4:00 P.M. Central Standard Time (CST).

2.4.4 Deliverables: Include a section clearly describing the specific sample/prototype hardware/software to be delivered, as well as data deliverables, schedules, and quantities. Unique item identification IAW DF014916

ARS 252.211-7003, Item Identification and Valuation, may be required. For hardware, more information may be found at <https://www.acq.osd.mil/dpap/dars/dfars/html/current/252211.htm#252.211-7003>.

2.4.5 Required Reports: At a minimum, the following reports are required deliverables for ALL Phase II contracts and must be included in the Work Plan. All are considered to be scientific and technical reports.

SBIR DATA RIGHTS: The Government obtains SBIR data rights in technical data and computer software generated under SBIR/STTR contracts and marked with the SBIR data rights legend. These rights provide the Government limited rights in technical data and restricted rights in computer software during the SBIR data protection period commencing with contract award and ending five (5) years after submission of the last contract deliverable under the effort generating the data. Upon expiration of the five year restrictive license, the Government has unlimited rights to the SBIR data, unless the firm receives another contract under which the SBIR data rights are asserted. During the SBIR data protection period, the Government may not release or disclose SBIR technical data or computer software to any person except as authorized under limited rights in technical data or restricted rights for computer software.

2.4.5.1 Final Report: The draft report is due 30 days after completion of the Phase II technical effort. The first page of the final report will be a single-page project summary, identifying the purpose of the work, providing a brief description of the effort accomplished, and listing potential results applications. The summary may be published by DoD. Therefore, it shall not contain proprietary information. It shall also contain project objectives met, work completed, results obtained, and technical feasibility estimates.

2.4.5.2 Status Reports: Status reports are due quarterly at a minimum. These shall be concise documents describing progress in meeting the selected AF end-user's needs. Each status report shall not be longer than 15 slides. The status reports shall include progress toward Phase II objectives and key results, as well as a quantitative measure between 0 and 1 of progress toward each.

2.4.5.3 Phase II Summary Report: The Phase II summary report is due at technical effort completion. It shall be submitted via email to the cognizant AF Contracting Officer. Reports shall not exceed **700 words** and shall include a description of the technology and anticipated applications/benefits for Government and/or private sector use.

2.4.5.4 Additional Reporting: The AF End-User or Customer may require additional reporting or documentation including:

- i. Software documentation and user manuals;
- ii. Engineering drawings;
- iii. Operation and maintenance documentation;
- iv. Safety hazard analysis when the project will result in partial or total development/delivery of hardware; and
- v. Updated commercialization results.

2.4.6 Safety Related Deliverables: Safety requirements shall be followed in design and performance of the proposed project. The Work Plan must contain separate sections specifically addressing the following:

2.4.6.1 [Hardware Only] Preliminary Hazard Analysis (Report): If hardware is to be developed, the contract shall include at least a preliminary hazard analysis included in the deliverables.

2.4.6.2 [Hazardous Materials Only] Hazardous Material Report: If use of is anticipated, the following are required:

- i. Materials identification;
- ii. Materials purpose; and
- iii. Possible alternatives/procedures/safeguards to minimize risk.

2.5 Commercialization Potential

2.5.1 Commercialization Plan: The DoD requires a commercialization plan be submitted with the Phase II proposal. The commercialization plan should briefly describe the commercialization potential for the proposed project's anticipated results, as well as plans to exploit it in both the Defense and non-Defense markets. Specifically address the following questions:

- i. What is the first product planned to incorporate the proposed technology?
- ii. Who are the probable customers, and what is the estimated market size?
- iii. How much money is needed to bring this technology to market and how will it be raised?
- iv. Does the firm have the necessary marketing expertise and, if not, how will the firm compensate?
- v. Who are the probable competitors, and what price/quality advantage is anticipated by the firm?
- vi. Are there private sector or non-SBIR/STTR funding sources demonstrating commitment to Phase II efforts/results? This includes outside private investment such as venture capital. Please delineate past and potential future investments, e.g., currently raising a round, have signed term sheets. Also note if commitments are conditional on receiving a Phase II award.
- vii. Please note private investment funds from qualified third-party investors which may be available for potential Phase II enhancements, e.g., matching funds wherein the investor and the SBIR Program provide \$500,000 each for a Phase II enhancement. More information regarding qualified third-party investors may be found at <https://www.acq.osd.mil/osbp/sbir/sb/investment-qualification.shtml>.
- viii. Are there Phase III (Government or commercial) follow-on commitments for the proposed technology?
- ix. What is the last 12 months' total revenue from sales of the non-Defense commercial solution proposed for adaptation to meet an AF need(s)?
- x. State the proposed Phase II's anticipated end results, specifically plans for transfer to Phase III with a potential Government customer.
- xi. Discuss the Phase II effort's significance in providing basis for a Phase III effort.

NOTE: Phase II awardees are required to periodically update Phase II project commercialization results at <https://sbir.Defensebusiness.org/>. These updates will be required one (1) year after Phase II start, at Phase II completion, and when a new SBIR/STTR proposal is submitted to DoD. Firms not submitting new proposals to DoD will be requested to provide annual updates after Phase II completion.

2.5.2 Military Applications/DoD Customers: Briefly describe the proposed solution's existing/potential military requirement and potential. Identify the DoD agency/organization most likely to become the solution's customer. In many cases the potential DoD Customer will be different than the End User. For example, the End User may be in an operational flying unit and the Customer in a System Program Office for the related

aircraft. State if any DoD agency has expressed interest in, or commitment to, a non-SBIR, Federally-funded Phase III effort or a Phase II Enhancement with matching SBIR funds. If so, please include relevant details regarding funding availability, i.e., fiscal year, for solution transition, and other relevant funding details, such as funding type, i.e., RDT&E, Operations and Maintenance, etc. Include agency point of contact names, e-mail addresses, and telephone numbers.

Fund Types: <https://www.dau.edu/acquipedia/pages/article/details.aspx#!246>

2.5.3 Non-Defense Commercial Customers

2.5.3.1 Past revenue from commercial customers of the proposed non-Defense commercial solution: Clearly list non-Defense, commercial customers, including revenue received as a result of the proposed solution's sales. This should not include other solutions the company may offer.

2.5.3.2 Potential revenue-generating projects directly related to the proposed non-Defense, commercial solution or adaptation thereof. Separately list potential revenue-generating projects with Defense or non-Defense customers directly related to the proposed solution(s). NOTE: On-going or completed projects/sales, such as those in section 2.5.1, are strongly preferred to potential projects.

2.6 Key Personnel: Identify key personnel involved in the project, including subcontractors and consultants. Include information regarding education, experience, and citizenship. A technical resume for the Principal Investigator, including publications, if any, shall be included.

2.6.1 Non-U.S. Citizens: Identify all non-U.S. citizens expected to be involved in the project as direct employees, subcontractors, or consultants. For these individuals, in addition to technical resumes, please provide countries of origin, type of visas or work permits under which they are performing, and explanation of their anticipated level of involvement in the project. When the topic area is subject to export control, these individuals, if permitted to participate, are limited to work in the public domain. Further, tasks assigned must not be capable of assimilation into an understanding of the project's overall objectives. This prevents foreign citizens from acting in key positions such as Principal Investigator, Senior Engineer, etc. Additional information may be requested during negotiations to verify foreign citizens' eligibility.

2.6.2 Investors and Partners: Identify company investors, shareholders, or strategic advisors making significant contributions to support the Phase II effort. Explain how their past experiences or track record will support the technical or commercialization efforts. This could include leveraging other entities in company investors' portfolios or accessing other capital sources.

2.6.3 Related Work: Describe significant activities directly related to the proposed effort, including previous programs conducted by the Principal Investigator, proposing firm, consultants, or others, and their application to the proposed project.

List reviewers providing comments regarding the offeror's knowledge of the state-of-the-art in the specific approach proposed. Specify related Government efforts, SBIR or otherwise, awarded, previously proposed, or intended for proposal

3. VOLUME 3: COST VOLUME

The total value of a fully SBIR-funded Phase II contract shall not exceed \$1,000,000. Firm Fixed Price payments shall be tied to measurable milestones, as agreed to with the Government. Complete the Cost Volume using the format shown in the DoD Submission Site Cost Breakdown Guidance on-line cost volume form. Some items in the Cost Breakdown Guidance may not apply to the proposed project. If so, there is no need to provide information on those items. The Government needs sufficient information to understand requested funds expenditure if selected for award.

Price analysis, including reasonableness, realism, and completeness, of proposed costs is required. If using comparison with prior efforts, identify the basis upon which the prior prices were determined reasonable. If price analysis techniques are inadequate, provide a cost analysis. Cost analysis includes, but is not limited to, consideration of materials, labor, travel, other direct costs, and proposed profit rates.

For known costs such as the price of the non-Defense, commercial solution, it may be possible to include them as 'Direct Costs' in the on-line Cost Volume. If included as direct costs, include substantiating evidence the price and costs are reasonable and realistic, e.g., invoices to non-Defense commercial customers. This same logic could apply to non-Defense commercial solution adaptations, warranties, training, reporting, or other when substantiating evidence price is reasonable and costs are realistic, e.g., invoices to non-Defense commercial customers for commercial solution adaptations, warranties, or training. Costs without substantiating justification, e.g., invoices from the commercial market, should be detailed through the cost estimating process. All substantiating evidence should be included in the 'Additional Cost Information' section of the Supporting Documents Volume (Volume 5).

If selected for award, further documentation may be required by the AF Contracting Officer to substantiate costs, e.g., cost estimates for equipment, materials, consultants, subcontractors, etc. Additional cost proposal and accounting standard information is available in the DCAA publication titled "Audit Process Overview – Information for Contractors" at <http://www.dcaa.mil>.

Information included in the on-line Cost Volume form includes but is not limited to:

- List of key personnel by name and number of direct labor hours dedicated to the project.
- Costs of special tooling, test equipment, and material cost may be included. Equipment and material will be carefully reviewed to establish need and appropriateness for work proposed. Special tooling and test equipment purchases must, by AF Contracting Officer determination, be advantageous to the Government and related directly to the specific topic. This may include items such as innovative instrumentation or automatic test equipment. Title to property

furnished by the Government or acquired with Government funds will be vested with the Air Force, unless determined transfer of equipment title to the contractor would be more cost effective than Government recovery.

- Travel costs must be justified and related to the needs of the project.
- Cost share, which is permitted but not required, nor is it an evaluation factor. Cost share differs from cost match. Cost share funding is typically provided by the offeror, not by an outside investor or other Government entity as is typical for cost match.
- All subcontractor and consultant labor, travel, equipment, etc., costs must be detailed to the same level as prime contractor. Provide detailed subcontractor cost substantiation in the online cost proposal form's Explanatory Material section. It should also be included in the Supporting Documents Volume (Volume 5), Additional Cost Information section.

4. VOLUME 4: COMPANY COMMERCIALIZATION REPORT (CCR)

The small business's record of commercializing SBIR/STTR or other shall be reflected in the Company Commercialization Report. The Company Commercialization Report for prior SBIR/STTR awards may be included to satisfy this requirement.

The Company Commercialization Report is the fourth section of a complete proposal package and is prepared through the DoD Submission Web site (<https://sbir.Defensebusiness.org/>). A Company Commercialization Report is required even if the proposing firm has no SBIR or STTR awards. Following the instructions on the SBIR/STTR Submission site, enter the quantitative commercialization results for prior Phase II projects. Include the items listed below and other information relative to the firm's commercialization track record.

- Sales revenue from new products and non-R&D services developed using Phase II technology;
- Investment from sources other than the Federal SBIR/STTR Program to further Phase II technology development and/or commercialization;
- If Phase II technology has been used in a fielded DoD system or acquisition program, include the system or program name;
- Number of patents resulting from SBIR/STTR Program participation;
- Growth in number of firm employees; and
- Whether the firm has completed an initial public offering of stock (IPO) resulting, in part, from a Phase II project.

All prior DoD and non-DoD Phase II projects must be reported, regardless of commercialization to date. The Web site will compare these results to the DoD SBIR Program historical averages to calculate a Commercialization Achievement Index (CAI) value. Only firms with four or more Phase II projects awarded at least two years prior to this solicitation will receive a CAI score. Otherwise the CAI is not applicable; see the DoD Submission Site's Company Commercialization Report section for more details. Firms with a CAI at or below the 20th percentile will be rated no higher than "Marginal". This report shall be prepared once and submitted with all proposals submitted under this solicitation. A report showing a firm has received no prior Phase II awards will not affect the firm's ability to obtain a SBIR award.

Additional explanatory material relating to the firm's SBIR/STTR project commercializing may be included in the Company Commercialization Report, Commercialization Track Record Narrative section. This can include but is not limited to commercialization successes in Government or private sector markets not fully captured in the quantitative results, e.g., commercialization resulting from a firm's prior Phase I projects; mitigating factors for low commercialization; recent changes in organization or personnel designed to increase commercialization success; and new qualified third party investments.

5. VOLUME 5: SUPPORTING DOCUMENTS

The Supporting Documents Volume shall be no longer than 10 pages and allows small businesses to submit additional supporting documentation for the Technical and Cost Volumes (Volumes 2 and 3).

Documents acceptable for inclusion in Volume 5 are:

- Letters of Support
- Additional Cost Information
- Funding Agreement Certification
- Technical Data Rights (Assertions)
- Lifecycle Certification
- Allocation of Rights
- Other

5.1 Letters of Support: Letters of support are intended to demonstrate the proposed innovation, if developed, would solve a valid market need. More generally, letters of support help validate commercial impact claims made in the proposal. Therefore, letters from potential technology end users, i.e., customers, and corporate partners/collaborators are appropriate, as well as letters from actual or potential investors. Include MOUs from AF/non-AF End-Users or customers. All letters should be uploaded in a single PDF file and organized logically, e.g., AF MOUs in one section, non-AF US Government MOUs in another, letters from non-Defense commercial customers in another, etc.

NOTE: If proposing to work with more than one AF End-User, all MOUs must be consolidated into a single, coherent MOU reflecting the consolidated work plan milestones and signed by the lead Air Force Phase II point of contact.

6.2 Additional Cost Information: A detailed cost proposal must be submitted and uploaded as Additional Cost Information in Volume 5. Cost proposal information will be treated as proprietary. Include detailed cost information to support Cost Volume (Volume 4) inputs in this section, i.e., direct cost substantiating information based upon price analysis, e.g., similar sale invoices to non-Defense commercial customers.

Proposed costs must be provided by individual cost element and contractor fiscal year (FY) in sufficient detail to support estimates' bases, as well as the purpose, necessity, and reasonableness of each. This information will expedite contract award if selected for award.

6.2.1 Cost Proposal: **The cost proposal includes:**

a. Direct Labor – Identify key personnel by labor category, number of hours, actual hourly rates, labor overhead, and/or fringe benefits per contractor FY.

b. Direct Materials –Materials, parts, and supplies costs must be justified and supported. Provide an itemized list of types, quantities, prices, and, where appropriate, purpose. If computer or software purchases are planned, detailed information such as manufacturer, price quotes, proposed use, and justification of the need are required.

c. Other Direct Costs – This includes specialized services such as machining or milling, special test/analysis, and costs for temporary use/lease of specialized facilities/equipment. Provide usage (hours) expected, rates, and sources, as well as brief discussion concerning the purpose and justification. Proposals including leased hardware must include an adequate lease versus purchase rationale.

Special tooling/test equipment/material costs are acceptable but will be carefully reviewed to determine need/appropriateness for the work proposed. The Government Contracting Officer will determine whether these purchases are advantageous to the Government through direct relation to the proposed effort. The Government does not intend to directly fund general purpose equipment purchases.

d. Subcontracts – Subcontractor costs must be supported with copies of prime-subcontract agreements. Agreement documents must adequately describe the proposed work and basis for cost. The agreement document should include a SOW or Work Plan, assigned personnel, hours and rates, materials (if any), and proposed travel (if any). A letter from the subcontractor agreeing to perform a task or tasks at a fixed price is not sufficient. The proposed total of all consultant fees, facility leases/usage fees, and other subcontract or purchase agreements may not exceed half of the total proposed price or cost, unless otherwise approved in writing by the Government Contracting Officer.

e. Consultants – For each consultant, provide a separate agreement letter briefly describing the service to be provided, hours required, an hourly rate, and a short, concise resume.

f. Travel – Travel costs must be justified as necessary for performance of the proposed effort. Include destinations, number of trips, number of travelers per trip, airfare, per diem, lodging, ground transportation, etc. Information regarding per diem and lodging rates is found in the Joint Travel Regulation (JTR), Volume 2, www.Defensetravel.dod.mil.

g. Indirect Costs – Indicate the basis for proposed rates, e.g., budgeted/actual rates per FY, etc. The proposal should identify the specific rates used and allocation

bases to which they are applied. Provide proposed rates and applications per FY throughout the anticipated performance period. Do not propose composite rates.

h. DD Form 2345 – For proposals submitted under export-controlled topics (either International Traffic in Arms (ITAR) and Export Administration Regulations (EAR)), a copy of the certified DD Form 2345, Militarily Critical Technical Data Agreement, or evidence of application submission must be included. The form, instructions, and FAQs may be found at the United States/Canada Joint Certification Program website, <http://www.dla.mil/HQ/InformationOperations/Offers/Products/LogisticsApplications/JCP/DD2345Instructions.aspx>. DD Form 2345 approval will be verified if the proposal is selected for award.

NOTE: This topic is not subject to export-control considerations. Therefore, a DD Form 2345 is not required at proposal submission. If, as the technology advances, export-control considerations must be applied, a DD Form 2345 will be required at that time.

6.3 Funding Agreement Certification: Small businesses selected for award must complete this certificate at the time of award, not at the time of proposal submission. All questions must be answered and an authorized officer of the company must sign and date this certificate.

6.4 Technical Data Rights (Assertions): Rights in technical data, including software, developed under the terms of any contract resulting from this solicitation generally rest with the contractor. The Government obtains a royalty-free license to use such technical data only for Government purposes beginning with contract award and ending five years after submission of the contract's last deliverable. This data should be marked with the restrictive legend specified in DFARS 252.227-7018, Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program. Upon expiration of the five-year restrictive license, the Government has unlimited rights in the SBIR data. During the license period, the Government may not release or disclose SBIR data to any person other than its support services contractors except (1) for evaluation purposes, if approved to act in that capacity; (2) as expressly permitted by the contractor; or (3) a use, release, or disclosure is necessary for emergency repair or overhaul of Government-operated items.

If a proposer plans to submit assertions in accordance with DFARS 252.227-7017, Identification and Assertion of Use, Release, or Disclosure Restrictions, those assertions must be identified. Further, assertion of use, release, or disclosure restriction MUST be included in this section of the proposal submission. A contract cannot be awarded until assertions have been approved.

6.5 Lifecycle Certification: All SBIR/STTR Phase II awardees must complete

certification documents at specific times during contract performance. Phase II awardees must complete them prior to receipt of more than half the total contract award amount AND before receipt of final payment. All questions must be answered and an authorized officer of the company must sign and date prior to submission. Although not required as part of the Phase II proposal, be aware completion is part of Phase II performance requirements. The certification document can be found at <https://www.afsbirsttr.af.mil/Portals/60/Pages/Phase%20I-II/SBIR-STTR-Phase-I-II-Life%20Cycle%20Certifications.pdf>.

6.6 Allocation of Rights: If partnering with a research institution or other organization, the firm may wish to complete an allocation of rights agreement. An example may be found at <https://www.afsbirsttr.af.mil/Portals/60/Pages/Phase%20I-II/Model%20agreement%20for%20the%20allocation%20of%20rights.pdf>.

6.7 Other: Combine all documents into a single PDF and upload to the Other section of Volume 5: Supporting Information.

6.7.1 SBIR/STTR Environment, Safety and Occupational Health (ESOH)

Questionnaire: Include a completed version of Attachment 1, SBIR/STTR Environment, Safety and Occupational Health (ESOH) Questionnaire in Volume 5: Supporting Information, Other section.

6.7.2 Prior, Current, or Pending Support of Similar Proposals or Awards:

Identify proposals for essentially equivalent work submitted to other US Government agencies or DoD components as described in 1.4 above by providing in the Volume 5, Supporting Documents, slide deck:

- i. Name(s)/address(es) of Federal agency(ies)/DoD Component(s) to which proposals were/will be submitted, or from which an award is expected or has been received;
- ii. The proposal or award date(s);
- iii. Proposal titles;
- iv. Principal Investigator name and title for each proposal submitted /award received; and
- v. Announcement title, number, and date under which the proposal was/will be submitted or award is expected/has been received.
- vi. Provide contract number(s) for awards received
- vii. Specify applicable topics for each proposal submitted/award received.

NOTE: If this does NOT apply, include a single-page document stating, “No prior, current, or pending US Government support for proposed work.”

6.7.3 Facilities/Equipment: Describe instrumentation and/or physical and digital facilities necessary and available to carry out the Phase II effort. Justify equipment to be purchased and include in ‘Additional Cost Information’, as

necessary. State whether proposed performance locations meet Federal, state, and local Governments environmental laws and regulations of for, but not limited to, airborne emissions, waterborne effluents, external radiation levels, outdoor noise, solid/bulk waste disposal practices, and toxic/hazardous material handling/storage.

6.7.4 Consultants/Subcontractors: List private companies, consultants, universities or federal labs potentially or formally involved in the project. All should be described in detail and included in the cost proposal as necessary. Signed copies of consultant and subcontractor letters of intent must be attached to the proposal. These letters should briefly state the contribution or expertise to be provided. Include information regarding consultant or subcontractor unique qualifications..

6.7.5 15-Page Slide Deck: Include a 14-page slide deck concisely summarizing the proposal's main points. This slide deck should be clear and easy to understand, the intent being for use as a starting point to understanding the proposal. Other volumes will provide the bulk of information.

- Slide 1 = Summary -> Include an easy-to-understand overview of the product-market fit, proposed trial, proposed customer, and objectives and key metrics.
- Slide 2 = Technical Merit Summary -> Summarize the best points about the commercial non-Defense solution and how it will be adapted to meet AF needs.
- Slide 3 = Team's ability to accomplish work summary-> Summarize the best points about the team to meet the AF End-User's and the associated required stakeholders' needs to complete the trial.
- Slide 4 = Commercialization potential -> Summarize the best points about the potential AF customer's, which will likely be different than the End-User's, plans for Phase IIIs or non-Defense commercialization.
- Slide 5 = Financial sustainability -> How are your product and company both financially sustainable? Include sales/revenue numbers of the specific non-Defense commercial solution. (Note: This information will NOT be shared outside the acquisition team.)
- Slide 6 = Team Commercialization Overview -> Include partners and investors and past efforts and successes from the team. This slide should include commercialization strengths of the team, not just scientific strengths.
- Slide 7 = Pricing -> The pricing of the effort should be linked to the price of the non-Defense commercial solution. Include references to invoices for the non-Defense commercial solution.
- Slide 8 = Non-Defense commercial solution -> Clearly describe the non-Defense commercial solution, including relevant customers/sales.
- Slide 9 = Adaptations of commercial solution -> Describe changes to the non-Defense commercial solution needed to meet the needs of the AF End-User/customer.
- Slide 10 = AF End-User -> Describe in detail the AF End-User and how the solution addresses their needs. Note any MOUs received.

- Slide 11 = Key stakeholders -> Describe stakeholders, e.g., safety, range officials, cybersecurity, and information assurance, within and outside the Government key to executing the product's trial with the AF Customer and how their buy-in will be secured. This could be as simple as a signature on an official document.
- Slide 12 = Objectives and key metrics -> Describe how success/failure will be measured during the solution's trial.
- Slide 13 = Milestone Schedule -> Include highlights of the milestone schedule with timing, acceptance criteria, and proposed costs.
- The remaining slide is for any additional points the firm wishes to include.

6.7.6 1-Page 'Sales Pitch' Summary Document: Include a visually appealing, 1-page company 'sales pitch' and proposed non-Defense commercial solution adaptation as intended to meet a US Government need. This portion of the document may be circulated publicly and should contain no confidential or Personally Identifiable Information, e.g., names, contact information, etc., for US Government employees.

6.7.7 100 Second Video: On its own, single page in Other documents, include a working link to a public-facing video describing the company and proposed non-Defense commercial solution adaptation intended to meet a US Government need. This portion of the document may be circulated publicly and should contain no confidential or Personally Identifiable Information, e.g., names, contact information, etc., for US Government employees.

It should include the product and value proposition to the DoD, e.g., similar to a Kickstarter or Amazon.com product video. If the link is broken or video is longer than 100 seconds, it will not be viewed. Any information contained therein will not be used in the effort's evaluation.

6.7.8 Solution 'Pitch' Presentation: Further consideration for award will require a short pitch comprised of a five minute presentation and five minute Q&A to be completed in person at the Doolittle Institute in Niceville, FL, on 4 June 2020. If invited to present, the presentation will be between the evaluation team members and the offeror. It is likely not all offerors will be invited to present.

If the offeror's proposal identifies a motivated, empowered Defense End User and/or Defense Customer, the offeror is strongly encouraged to invite the relevant stakeholders to participate. If the Defense stakeholders participate, the offeror's five minute presentation will be first, followed by a five minute Q&A between the evaluation team and the offeror. During the five minute pitch, the Defense stakeholder will not be permitted to speak or ask questions. Following the five minute presentation and five minute Q&A, the offeror will be removed from the room and the evaluation team will speak directly with the Defense End-User and Stakeholder.

After the solicitation closes, the offeror's identified Principal Investigator may be invited via email to pitch and provided a list of available time slots. The offeror may

pick only one time slot per proposal. The pitch time slots will be assigned on a first-come, first-served basis. Companies missing the selected pitch slot will be ineligible for award.

The anticipated pitch time-slots are 8:00 a.m. to 6:00 p.m. Eastern Time, 4 June 2020.

V. METHOD OF SELECTION AND EVALUATION CRITERIA

1. Introduction: Phase II proposals are evaluated on a competitive basis by subject matter expert (SME) scientists, engineers, and other technical personnel. Throughout evaluation, selection, and award, confidential proposal and evaluation information will be protected to the greatest extent possible.

2. Evaluation Criteria:

2.1 Fully SBIR-funded Phase II Evaluation Criteria: Proposals will be reviewed for overall merit based on the following criteria (in descending order of importance) published in the DoD SBIR Announcement, as modified in the Air Force Instructions:

- a. Technical Merit – The soundness, technical merit, and innovation of the proposed approach and its incremental progress toward topic or subtopic solution.
- b. Potential for Commercial Application–The potential for commercial (Government or private sector) application and the benefits expected to accrue from this commercialization.
- c. Qualifications of the Principal Investigator (and Team) – The qualifications of the proposed principal/key investigators, supporting staff, and consultants. Qualifications include not only the ability to perform the research and development but also the ability to commercialize the results.

The proposer's record of commercializing its prior SBIR and STTR projects, as shown in the Company Commercialization Report, will be used as part of the Commercialization Plan evaluation. If the "Commercialization Achievement Index (CAI)" shown on the first page of the report is at or below the 20th percentile, the proposer will receive no more than half of the evaluation points available under evaluation criterion (b) above.

NOTE: Restrictive notices notwithstanding, proposals may be handled for administrative purposes only, by support contractors; U.Group, Oasis Systems, Riverside Research, Peerless Technologies, Engineering Services Network and/or Stealth Entry LLC. In addition, only Government employees and technical personnel from Federally Funded Research and Development Centers (FFRDCs) MITRE and Aerospace Corporations working under contract to provide technical support to AF Life Cycle Management Center may evaluate proposals. All support contractors are bound by appropriate non-disclosure

agreements. If you have concerns about any of these contractors, you should contact the AF Contracting Officer, Todd Davis, todd.davis.16@us.af.mil (850)882-0156.

2.3 Other Factors Considered During the Selection Process: These additional factors apply to both the fully SBIR-funded proposals.

- Commitment for Phase III funding;
- Possible duplication with other R/R&D;
- Program balance (need to expound – balance with other AF or DoD programs...?);
- budget limitations (again, needs some teeth – SBIR funding limitations...?); and
- Potential, if successful, of leading to a product of continuing interest to DoD.

Where technical evaluations are essentially equal in merit, and as cost and/or price is a substantial factor, cost to the Government will be considered in determining the successful offeror.

Technical reviewers will base their conclusions only on information contained in the proposal except when specified, e.g., the ‘100-second video’. Reviewers will not be assumed to be acquainted with the firm, key individuals, or referenced experiments. Ensure these points are addressed before submitting the proposal:

- The solution should be an existing non-Defense commercial solution adaptation.
- Clearly demonstrate the existing non-Defense commercial solution exists, i.e., is in the hands of non-Defense commercial customers.
- Detail the specific changes required to the non-Defense commercial solution to meet the needs of the Air Force End-User/Customer and why.
- Identify a motivated, empowered Air Force End-User ready, willing and capable to participate in the Phase II trial.
- Identify an Air Force Customer who, if Phase II is successful, is capable of transitioning the solution to a Phase III agreement.
- Demonstrate a deep understanding of a specific Air Force End-User, including their role and solution’s application to their needs. **(Include quantitative metrics)**.
- Secure buy-in from stakeholders necessary for Phase II trial completion, e.g., regulatory functions such as Legal.
Demonstrate the company and specific solution’s financial sustainability through outside revenue sources, e.g., non-Defense commercial Customer sales, outside private investment by eligible partners, etc.

Firms are encouraged to pursue private sector or non-SBIR Government funding to support a follow-on Phase III. Phase III efforts can cover a broad range of activities from commercial application of SBIR-funded R/R&D by non-Federal sources of capital; SBIR-derived products/services intended for use by the Federal Government funded by non-SBIR Federal funding; or continuation of R/R&D, previously competitively selected using peer review or merit-based selection procedures, funded by non-SBIR Federal funds.

V. DEBRIEFINGS: A debriefing may be requested in writing. Consistent with the DoD

SBIR/STTR BAAs, the request must be received within 30 days after receipt of non-selection notification. Written requests for debrief must be sent directly to the Contracting Officer named in the non-selection notification. Requests should include the company name and telephone number/email address for a company point of contact, as well as an alternate. Also include the topic number under which the proposal was submitted and the proposal number. Requests received more than 30 days after receipt of non-selection notification will be fulfilled at Contracting Officers' discretion. Unsuccessful offerors are entitled to no more than one debriefing per proposal.

VI. DEFINITIONS:

1. Small Business Concern (SBC): DoD 19.2 SBIR BAA - Section 3.15:

<https://www.acq.osd.mil/osbp/sbir/solicitations/sbir20183/index.shtml>

A concern that meets the requirements set forth in 13 C.F.R. § 121.702 (available [here](#)).

An SBC must satisfy the following conditions on the date of award:

- a. 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;
- b. 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 (c) below;
- c. Is more than 50% 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; and
- d. Has, including its affiliates, not more than 500 employees. (For explanation of affiliate, see www.sba.gov/size.)

2. Proprietary Information: DoD 19.2 SBIR BAA - Section 3.9:

<https://www.acq.osd.mil/osbp/sbir/solicitations/sbir20183/index.shtml>

Proprietary information is information provided which constitutes a trade secret, proprietary commercial or financial information, confidential personal information or data affecting the national security.

Offeror Eligibility and Performance Requirements: DoD 19.2 SBIR BAA - Section 4.2:

<https://www.acq.osd.mil/osbp/sbir/solicitations/sbir20183/index.shtml>

Offeror Eligibility and Performance Requirements

- a. Each proposer must qualify as a small business concern as defined by 13 C.F.R §§ 701-705 at time of award and certify to this in the Cover Sheet section of the proposal. The eligibility requirements for the SBIR/STTR programs are unique and do not correspond to those of other small business programs (see Section 3.15 of this BAA). Proposers must meet eligibility requirements for Small Business Ownership and Control (see 13 CFR § 121.702 and Section 4.4 of this BAA).

- b. A minimum of two-thirds of the research and/or analytical work in Phase I must be conducted by the proposing firm. For Phase II, a minimum of one-half (50%) of the research and/or analytical work must be performed by the proposing firm. The percentage of work is measured by both direct and indirect costs.
- c. For both Phase I and II, the primary employment of the principal investigator must be with the small business firm at the time of the award and during the conduct of the proposed effort. Primary employment means that more than one-half of the principal investigator's time is spent with the small business. Primary employment with a small business concern precludes full-time employment at another organization.
- d. For both Phase I and Phase II, all research or research and development work must be performed by the small business concern and its subcontractors in the United States.
- e. Benchmarks. Proposers with prior SBIR/STTR awards must meet two benchmark requirements for Progress Toward Commercialization as determined by the Small Business Administration (SBA) on June 1 each year.
 - (1) For all proposers with greater than 20 Phase I awards over the past five fiscal years excluding the most recent year (currently FY 2013-2017), the ratio of Phase II awards to Phase I awards must be at least 0.25.
 - (2) Proposers with more than 15 Phase II awards within the last ten fiscal years, excluding the last two years (FY 2008-2017), must have received an average of $\geq \$100,000$ in sales and/or investments per Phase II award AND a number of patents originating from SBIR efforts $\geq 15\%$ of Phase II awards received during the period.

Consequence of failure to meet the benchmarks:

- SBA will identify and notify Agencies on 1 Jun each year the list of companies which fail to meet minimum performance requirements. These companies will not be eligible to submit a proposal for a Phase I award for a period of one year from that date.
- Because this requirement only affects a company's eligibility for new Phase I awards, a company that fails to meet minimum performance requirements may continue working on its current ongoing SBIR/STTR awards and may apply for and receive new Phase II and Phase III awards.
- To provide companies with advance warning, SBA notifies companies 1 Apr if they are failing the benchmarks. If a company believes that the information used was not complete or accurate, it may provide feedback through the SBA Company Registry at www.sbir.gov.
- In addition, SBA has posted a [Guide to SBIR/STTR Program Eligibility](#) to help small businesses understand program eligibility requirements, determine if they will be eligible at the time of award, and accurately complete necessary certifications.
- The benchmark information on the companies will not be available to the public.

Marking Proprietary Proposal Information: DoD 19.2 SBIR BAA - Section 5.3:

<https://www.acq.osd.mil/osbp/sbir/solicitations/sbir20183/index.shtml>

Marking Proprietary Proposal Information: Offerors that include in their proposals data that they do not want disclosed to the public for any purpose, or used by the Government except for evaluation purposes, shall:

(1) Mark the first page of each Volume of the proposal submission with the following legend:

"This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed-in whole or in part-for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of-or in connection with-the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in pages [insert numbers or other identification of sheets]"; and

(2) Mark each sheet of data it wishes to restrict with the following legend:

"Use or disclosure of data contained on this page is subject to the restriction on the first page of this volume."

The DoD assumes no liability for disclosure or use of unmarked data and may use or disclose such data for any purpose. Restrictive notices notwithstanding, proposals and final reports submitted through the DoD Submission Web site may be handled, for administrative purposes only, by support contractors. All support contractors are bound by appropriate non-disclosure agreements.