



# NAVSEA Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Program

## 2016 NAVSEA Small Business Industry Day

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# AGENDA



- **How Do You Spell "SBIR"**
- **About NAVSEA**
- **How to Be Successful**
- **Next Steps**

# How Do You Spell SBIR?

**S**mall

**B**usiness

**I**nnovation

**R**esearch



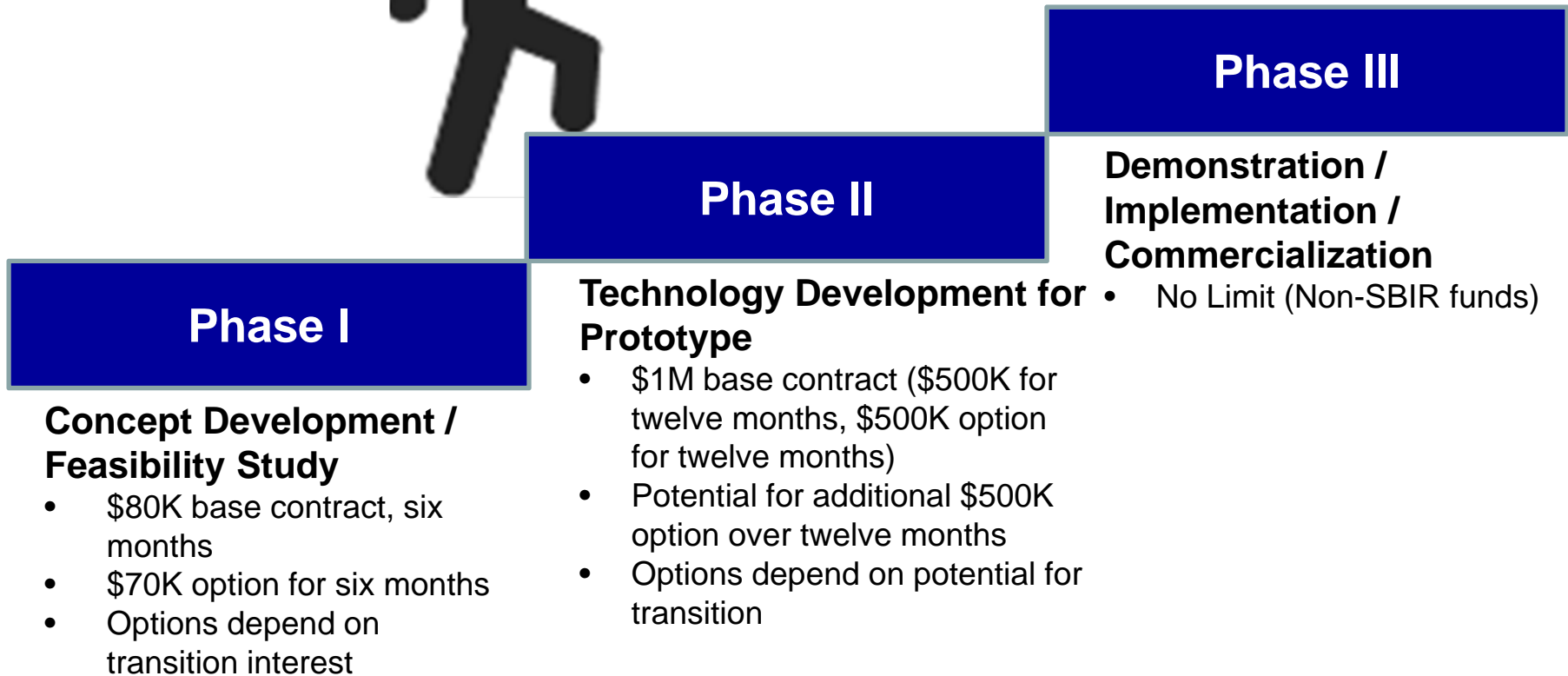
- Established by Congress in 1982 to incorporate small business technological innovation into Government supported Research and Development programs.
- Small Business Administration manages the SBIR Program through 11 participating agencies.
- DoD major components include Army, Navy, Air Force, Marine Corps
- Navy has 5 major players - NAVSEA, NAVAIR, SPAWAR, MARCOR, ONR
- 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 Federally Funded Research and Development Centers (FFRDCs)



# SBIR / STTR Program Objectives



- **SBIR Program goals: Stimulate technological innovation**
  - Increase small business participation in federally funded Research and Development
  - Foster participation by socially and economically disadvantaged firms in technological innovation
  - 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



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



# NAVSEA SBIR Benefits Small Businesses



- **Average of 1 win per 8 proposals in Phase I**
- **Average of 16 proposals per topic in Phase I**
- **Historical average of two Awards per topic in Phase I**
- **50% chance of Phase 2 award after winning a Phase I Award**
- **Opportunity to participate in the SBIR / STTR Transition Program and Forum held in parallel with the SEA-AIR-SPACE Symposium**



# Small Business Eligibility for SBIR / STTR Programs



	SBIR	STTR
<b>Firm Eligibility</b>	U.S. for-profit business of <b>500</b> or fewer employees	
<b>Collaboration with a Research Institution (RI)</b> <i>(no size limit on the RI)</i>	<b>Optional</b> -- RI may work under subcontract	<b>Required</b> -- formal agreement between firm and a university, FFRDC, or non-profit RI; <i>Small business must manage and control the contract</i>
<b>Principal Investigator (PI)</b>	PI must spend >50% time employed by firm	PI may be at the firm or RI
<b>Work Breakdown</b>	Min of 2/3 of Phase I and 1/2 of Phase II effort performed by the firm	For Phase I & II, firm must perform min of 40% and RI min of 30% of the effort
<b>Work Performance</b>	Work must be performed in the U.S.	

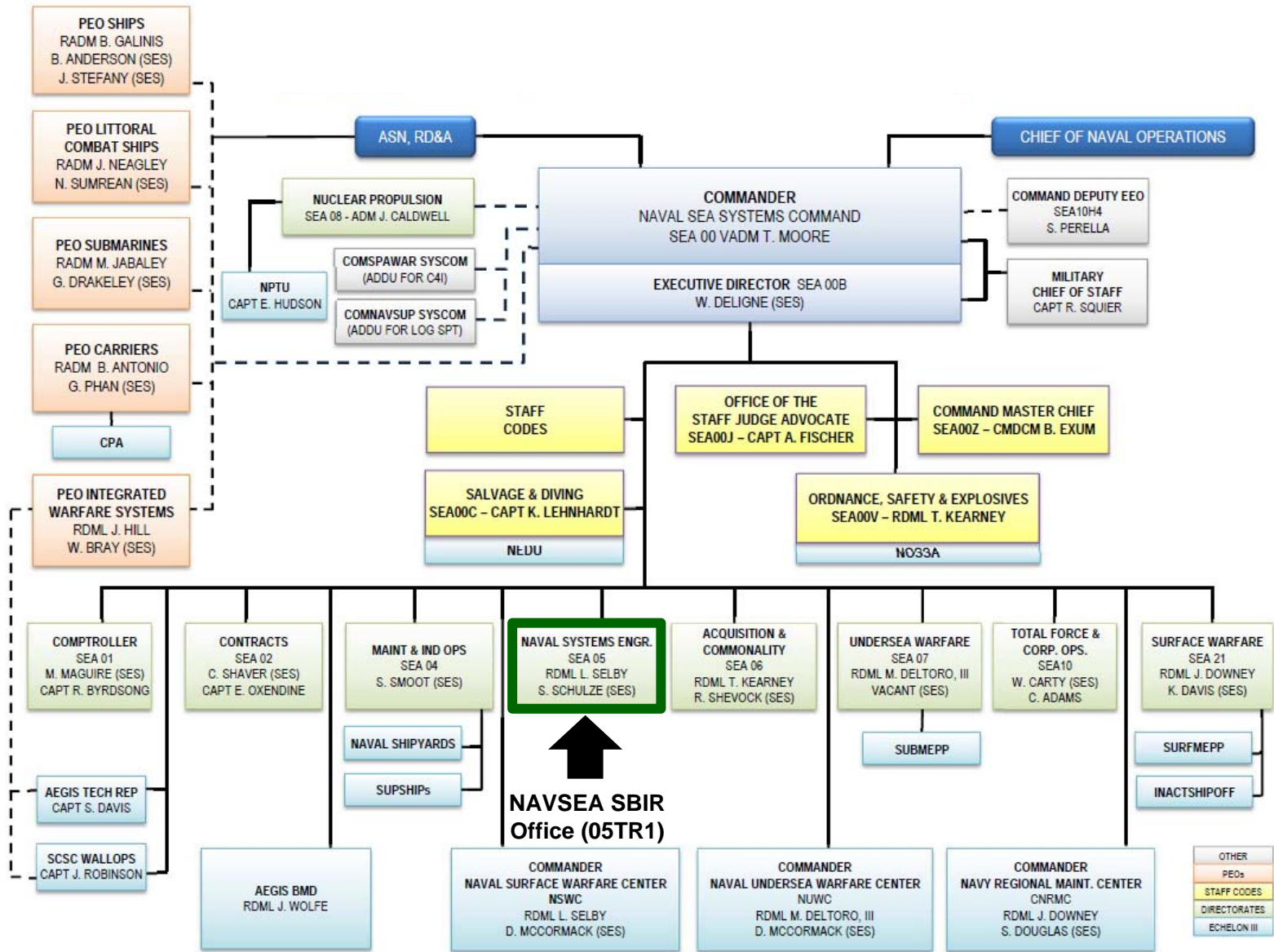


**SBA Policy Directives**

**WWW.SBIR.GOV**  
**Additional Sites:**  
**[www.sbir.defensebusiness.org](http://www.sbir.defensebusiness.org)**  
**[www.navysbir.com](http://www.navysbir.com)**

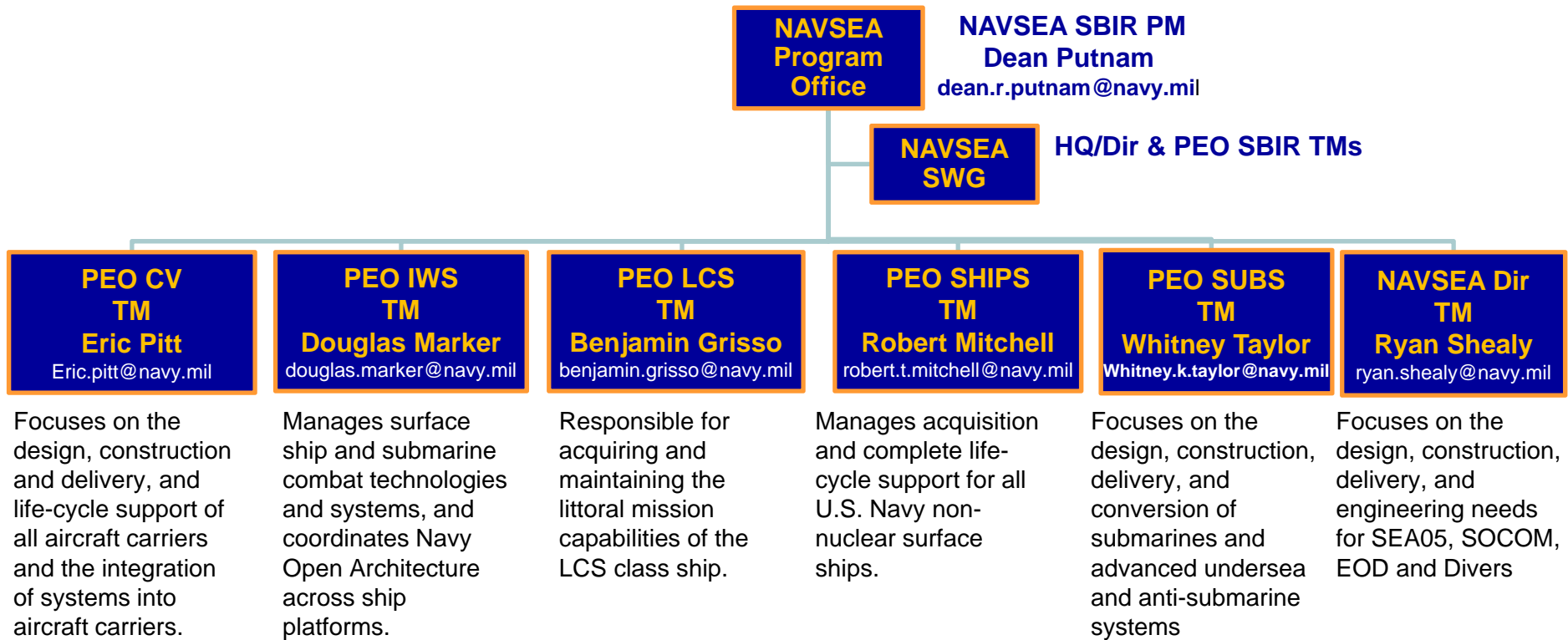


# NAVSEA Organization Chart

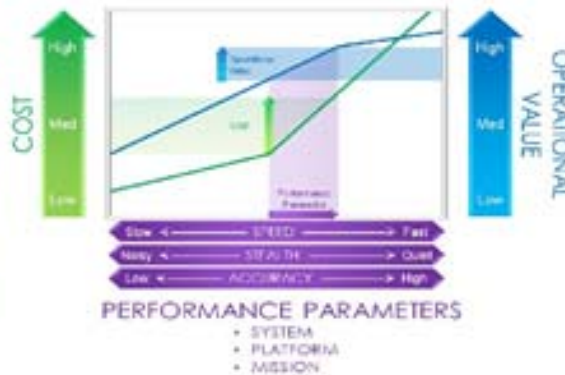
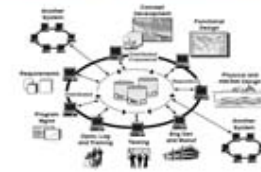




# NAVSEA SBIR Functional Organization



- Ship or Platform Production, Operation, Maintenance, and Disposal Costs
- Naval Affordability, Capability, and Commonality
- Improved Information Management to Maximize Warfighter Effectiveness
- Design Tools and Systems for Performance, Capability, and Commonality
- Cybersecurity Products and Processes



- **You have a great product, but does the end user need it?**
  - If your device is 10x better than what is currently being used, but the current device meets the requirement, **they aren't likely to use your technology unless there are cost and/or weight savings**
    - Program Executive Office programs are driven by Cost savings, Weight savings, Capabilities, and Space savings
- **Form, Fit, Function**
  - You may meet the need, but do you satisfy the systems requirement?
- **Does it meet their timeline for insertion?**
  - Acquisition Schedule, Block upgrade, Software drop, Platform service life

**Know Your Customer!**



# What is Your Plan?



- **Business**
  - Develop a Business Plan
    - What do you want / don't want to do?
    - How does it support the customer's need?
- **Marketing**
  - Scientists & Engineers – Technical Detail
  - Program Managers – Business / Acquisition Details
- **Production / Insertion**
  - Via a Prime
  - License to a Navy producer
  - Flexibility in data rights negotiation
- **Technology Transition Strategy**
  - Know who has authority to transition your product
  - Clearly identify schedule, milestones, funding for transition
  - Consider CRP and TTAs with your TPOC

**Start Planning your Transition Strategy During Phase I.  
You Cannot Transition Without the Support of the PEO or Prime**



# “Reachback”



- Refers to “reaching back” to an old SBIR that has not yet accrued \$3.0M in SBIR funding in Phases I and II
- SBIR/STTR Policy directive states there is no time limit between SBIR contract awards
- All subsequent work for contracts must be a logical extension or derivation from the product or process pursued in prior SBIR contracts
  - Example:
    - Company wins a Phase I in 2009 for \$150k
    - Phase I completes but no funding was available for Phase II in 2010
    - In 2014 a need arises where the work done in Phase I is applicable
    - A Phase II is requested for the work to continue in Phase II for \$1.5M (5 months to award)
    - In parallel, Phase III contract paperwork starts for \$25M (15 months to award)
- **Reachbacks are ideal for**
  - Risk reduction
  - Technology insertion
  - Parts Obsolescence
  - Introducing competition where there is none



# Data Rights



- **SBIR/STTR Data Rights are Unique**
  - Data is delivered to the Government and gets a royalty free government purpose license
  - SBIR protections noted on the deliveries
  - The Government must protect those right for 5 years after the last deliverable on the last contract
  - Must get Small Business approval to provide data to others and get Non-Disclosure Agreement from the other company
  - SBIR 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
- **The law says the Government to the greatest extent practicable should award follow on work to the SBIR firm**
  - This statute justifies sole source follow-on contracts
  - The requirement for competition has been satisfied in Phases I and II
- **Future company value is based on the Intellectual Property and Data rights – so protect them!**
  - There is no limit on the value or number of Phase III contracts
  - Funds come from a Program Office (not SBIR “seed” funding)

**Data Rights Belong to the Small Business!**



# What Next?



- **Check for Broad Agency Announcements and Research Topics**
  - Topics are released three times a year for the Department of Defense
    - Next Opportunity to participate is August\* and December
  - Information Sites:
    - Information on the SBIR/STTR programs can be found at [www.sbir.gov](http://www.sbir.gov)
    - Information specifically for the Department of Defense: [www.sbir.defensebusiness.org](http://www.sbir.defensebusiness.org)
    - Information specifically for the United States Navy: <http://www.navysbir.com>
- **Write and Submit a Proposal**
  - Phase I proposals are limited to 20 pages, including resumes for key personnel.
    - ~15 Pages of Actual Technical "Meat"
  - Narratives are provided in debriefs to unsuccessful companies.
  - Proposals are scored on three criteria areas:
    - Technical Merit (40%)
    - Quality of Personnel (30%)
    - Commercialization Potential (30%)

\* *NAVSEA is not participating in the August Broad Agency Announcement*





# Opportunities to Participate

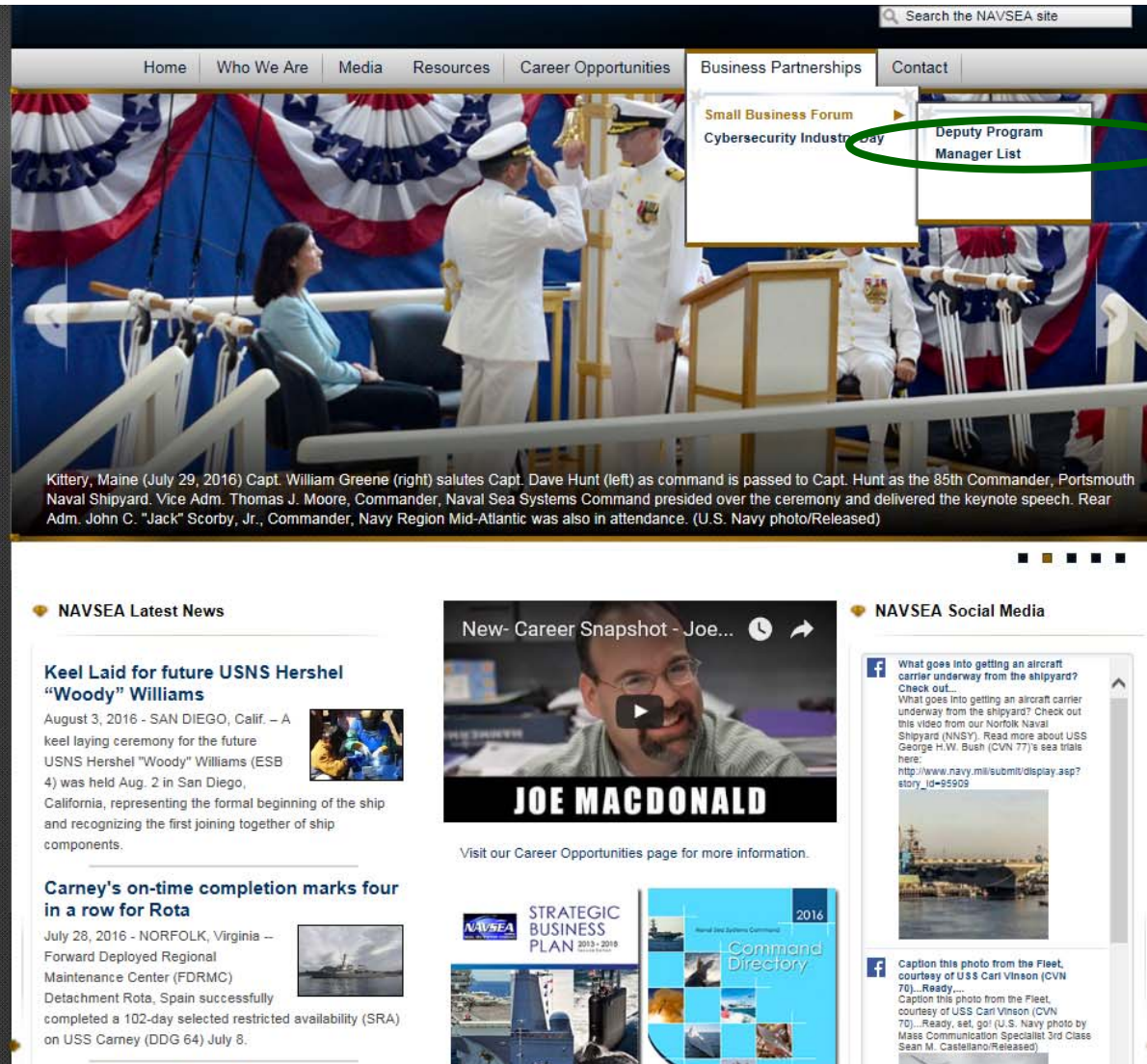


- **Companies have the Opportunity to Submit Proposals Based on the topics contained within each cycle**  
(<http://www.acq.osd.mil/osbp/sbir/index.shtml>)
- **NAVSEA Predominately Participates in the First Solicitation Period**
- **Next Solicitation NAVSEA is Participating in is the 17.1 Solicitation Cycle - Proposals due 16 February**
- **Proposal Templates for Navy Topics can be found at [www.navysbir.com](http://www.navysbir.com)**

## General Solicitation Schedule for FY17

Solicitation Cycle	Pre-Solicitation	Solicitation Opens	Closes
SBIR 17.1/STTR 17.A	December 10	January 10	February 16
SBIR 17.2/STTR 17.B	TBD (~April)	TBD (~May)	TBD (~June)
SBIR 17.3/STTR 17.C	TBD (~August)	TBD (~September)	TBD (~October)

# Where to Find the Deputy Program Managers



Home Who We Are Media Resources Career Opportunities Business Partnerships Contact

Small Business Forum  
Cybersecurity Industry Day  
**Deputy Program Manager List**

Kittery, Maine (July 29, 2016) Capt. William Greene (right) salutes Capt. Dave Hunt (left) as command is passed to Capt. Hunt as the 85th Commander, Portsmouth Naval Shipyard. Vice Adm. Thomas J. Moore, Commander, Naval Sea Systems Command presided over the ceremony and delivered the keynote speech. Rear Adm. John C. "Jack" Scorby, Jr., Commander, Navy Region Mid-Atlantic was also in attendance. (U.S. Navy photo/Released)

**NAVSEA Latest News**

**Keel Laid for future USNS Hershel "Woody" Williams**  
August 3, 2016 - SAN DIEGO, Calif. - A keel laying ceremony for the future USNS Hershel "Woody" Williams (ESB 4) was held Aug. 2 in San Diego, California, representing the formal beginning of the ship and recognizing the first joining together of ship components.

**Carney's on-time completion marks four in a row for Rota**  
July 28, 2016 - NORFOLK, Virginia -- Forward Deployed Regional Maintenance Center (FDRMC) Detachment Rota, Spain successfully completed a 102-day selected restricted availability (SRA) on USS Carney (DDG 64) July 8.

New- Career Snapshot - Joe...  
**JOE MACDONALD**  
Visit our Career Opportunities page for more information.

**NAVSEA Social Media**

What goes into getting an aircraft carrier underway from the shipyard? Check out... What goes into getting an aircraft carrier underway from the shipyard? Check out this video from our Norfolk Naval Shipyard (NNSY). Read more about USS George H.W. Bush (CVN 77)'s sea trials here:  
[http://www.navy.mil/submit/display.asp?story\\_id=95909](http://www.navy.mil/submit/display.asp?story_id=95909)

Caption this photo from the Fleet, courtesy of USS Carl Vinson (CVN 70)... Ready... Caption this photo from the Fleet, courtesy of USS Carl Vinson (CVN 70)... Ready, set, go! (U.S. Navy photo by Mass Communication Specialist 3rd Class Sean M. Castellano/Released)

**DPM List w/  
Phone  
Numbers**

[www.navsea.navy.mil](http://www.navsea.navy.mil)

# Questions?