DEPARTMENT OF THE NAVY

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

NAVY SBIR/STTR Overview
July 2023

NAVY SBIR/STTR programs provide opportunities for domestic small businesses and start-ups to deliver solutions to meet naval needs through Federal Research/Research and Development (R/R&D). These competitive, three phase, awards-based programs advance innovations with an aim toward transitioning the resulting technologies to the Force/Fleet and commercialization in private markets.

Welcome

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And the Navy Team . . . .

Authorities

United States Code

•15 U.S. Code § 638. Research and development

•*https://www.govinfo.gov/content/pkg/USCODE-2011-title15/pdf/USCODE-2011-title15-chap14A-sec638.pdf*

SBIR/STTR Policy Directive

•Provides guidance from SBA to the participating Federal agencies for the general operation of the SBIR and STTR programs.

•*https://www.sbir.gov/about/about-sbir*

Federal SBIR/STTR Program Goals

Small Business Innovation Research (SBIR) Program

Program Goals

- ✓ Stimulate technological innovation

- ✓ Increase small business participation in federally funded R&D

- ✓ Foster participation by socially and economically disadvantaged firms in technological innovation

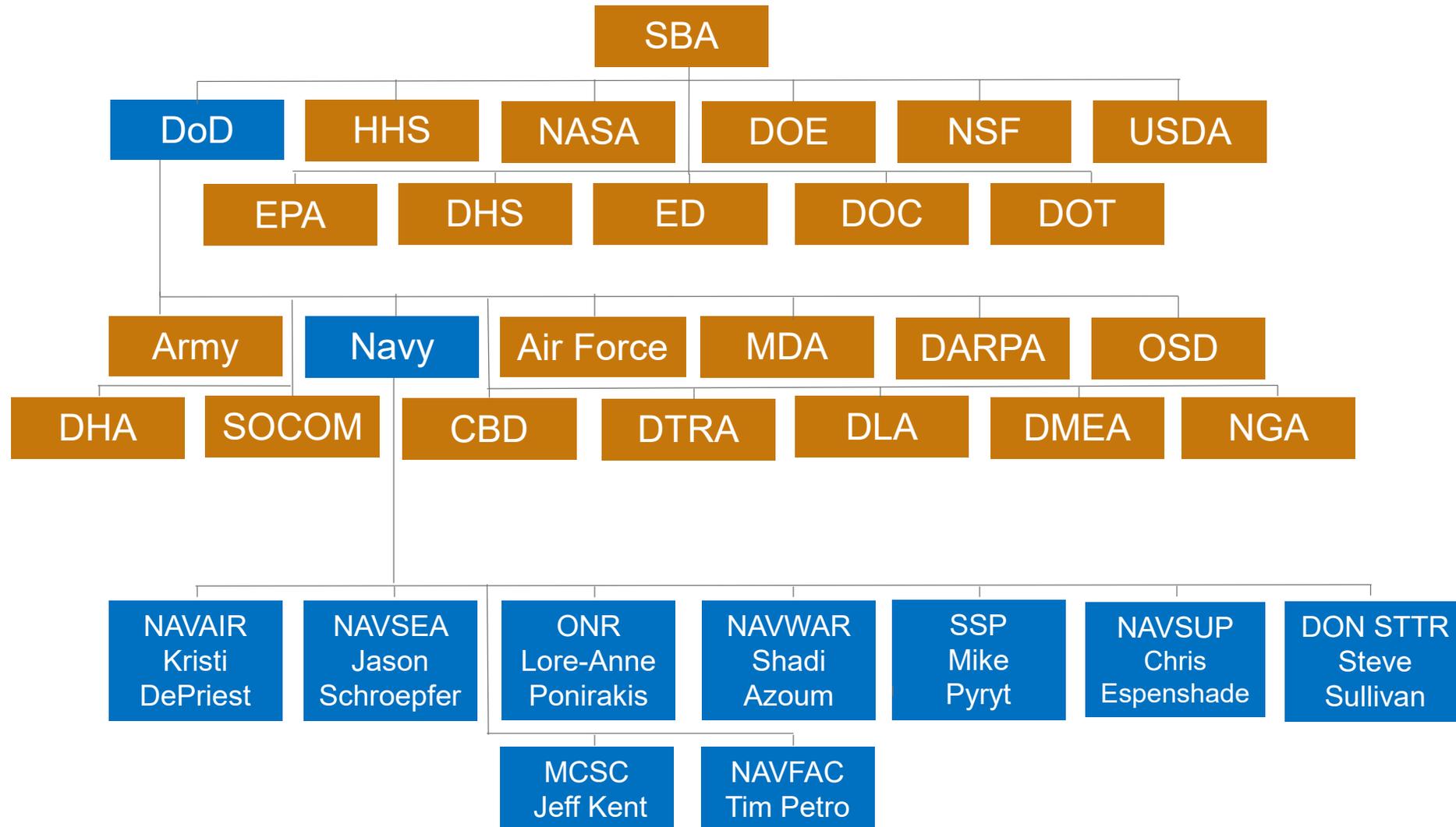- ✓ Increase private sector commercialization of federal R&D

Small Business Technology Transfer (STTR) Program

Program Goals

- ✓ Create vehicles for moving ideas from research institutions to market

- ✓ Enable researchers to pursue commercial application of technologies

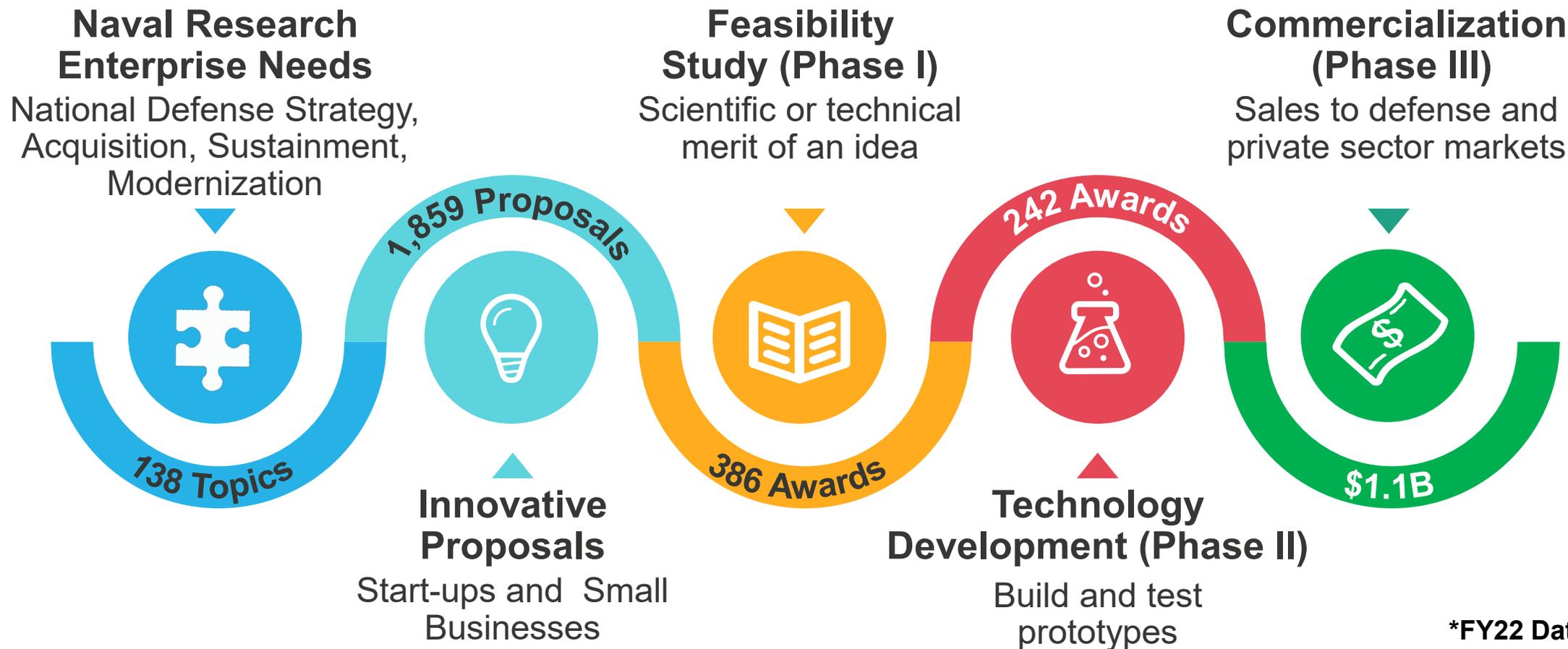- ✓ Bridge funding gap between basic research and commercial product

Federal SBIR/STTR Org Chart

SBA

- **DoD**
- HHS
- NASA
- DOE
- NSF
- USDA

- EPA
- DHS
- ED
- DOC
- DOT

DoD:
- Army
- **Navy**
- Air Force
- MDA
- DARPA
- OSD

- DHA
- SOCOM
- CBD
- DTRA
- DLA
- DMEA
- NGA

Navy:
- NAVAIR — Kristi DePriest
- NAVSEA — Jason Schroepfer
- ONR — Lore-Anne Ponirakis
- NAVWAR — Shadi Azoum
- SSP — Mike Pyryt
- NAVSUP — Chris Espenshade
- DON STTR — Steve Sullivan
- MCSC — Jeff Kent
- NAVFAC — Tim Petro

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Delivering Innovation to the Warfighters*

Naval Research Enterprise Needs
National Defense Strategy, Acquisition, Sustainment, Modernization

Feasibility Study (Phase I)
Scientific or technical merit of an idea

Commercialization (Phase III)
Sales to defense and private sector markets

1,859 Proposals

242 Awards

138 Topics

386 Awards

$1.1B

Innovative Proposals
Start-ups and Small Businesses

Technology Development (Phase II)
Build and test prototypes

*FY22 Data

Naval Research Enterprise Needs. . . Topics

Focused Topic

- Seeking innovative solutions to specific Naval needs

- Phase I approach to proving feasibility of an innovative solution

- Phase II is the development and testing of prototype

Open Topic

- Seeking commercial solutions to meet mission critical Naval needs

- Phase I approach to adapting commercial solution

- Phase II will develop a functional prototype and transition plan (production and fielding)

Topics are Developed by the Government, not industry

Critical Technology Areas

- FutureG
- Trusted AI and Autonomy
- Biotechnology
- Advanced Computing and Software
- Integrated Sensing and Cyber
- Directed Energy (DE)
- Hypersonics

- Microelectronics
- Integrated Network Systems-of-Systems
- Quantum Science
- Space Technology
- Renewable Energy Generation and Storage
- Advanced Materials
- Human-Machine Interfaces

When to Participate

PROGRAM	PRE-RELEASE	OPEN	CLOSE
DoD SBIR/STTR 2023.1/A	1/11/2023	2/8/2023	3/8/2023
DoD SBIR/STTR 2023.2/B	4/19/2023	5/17/2023	6/14/2023
2023 Navy Open Topics	**6/15/2023**	**7/13/2023**	**8/15/2023**
DoD SBIR/STTR 2023.3/C	8/23/2023	9/20/2023	10/18/2023

- **Accept proposals from firms who are majority-owned by venture capital operating companies, hedge funds or private equity firms**
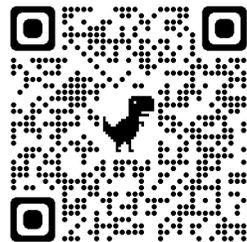
How to Participate

1 Determine eligibility
https://www.sbir.gov/faqs/eligibility-requirements

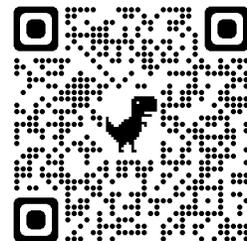**2** Research topics consistent with your business strategies
https://www.dodsbirsttr.mil/submissions/login

3 Read and understand the DoD Broad Agency Announcement (BAA) and Component-specific (e.g. Navy) BAA instructions
https://www.dodsbirsttr.mil/submissions/login

4 Use templates as instructed by BAA and submit a proposal that meets the stated need of the topic
https://www.dodsbirsttr.mil/submissions/login

Navy-specific templates
https://www.navysbir.com/links_forms.htm

About Phase I and II

- Evaluation criteria: technical merit, personnel, and commercial potential
- Usually 3 Phase I awards per focused topic
- 3 Contract Centers of Excellence
- Phase I NTE $240K and 12 months (6 mo. Base, 6 mo. Option)
- Phase I awardees compete for Phase II at the end of Phase I Base
  — Evaluate Initial Phase II proposal and Phase I Final Report
  — If selected for Phase II, Phase I Option exercised
- Phase II NTE $1.8M and 18-24 months
- **NAVY-funded transition programs**
- **Authorities leveraged to support transition**

Phase II Transition Programs – Unique to Navy

SBIR/STTR Transition Program (STP)   **23 years strong!**

- Annual 11-month Navy-funded Program for Phase II awardees
- Services to assist with transition of technologies through business mentoring, education, and networking
- Information at *NavySTP.com*

DON SBIR/STTR Experimentation Cell (DON-SEC)   **4 years young!**

- Connects SBIR innovators with the DON experimentation community to test innovative solutions
- Full spectrum of end-to-end facilitation, mentoring, and training in all aspects of experimentation
- Information at *NavySBIR.com/SEC*

NAVY Launch   **New!**

- 10-month program to Educate + Accelerate + Scale beyond traditional defense markets; entrepreneur-first startup strategies
- Prioritize markets, explore private funding, discover customers, and engage for new growth
- Information at *h4xlabs.com/NavyLaunch*

Support to firms to deliver solutions at scale

Authorities

Technical and Business Assistance (TABA)

- Provides Phase I and Phase II awardees with funding to enter into agreements for business and / or technical assistance

- Phase I: Up to $6,500 in Phase I in addition to the Phase I award

- Phase II: Up to $50,000 per project in Phase II as part of the Phase II award

- Requests for TABA must be included in Phase I and Phase II proposals

Important Note

TABA awarded in a Phase II contract eliminates the awardee from participating in the DON SBIR/STTR Transition Program (STP) and any other assistance the DON provides directly to awardees.

Authorities

Commercialization Readiness Program (CRP)

- Authority to identify high priority projects with the potential for rapid transition
- Ability to provide administrative support (not direct funding to SBIR / STTR projects) to accelerate transition, including:
  - Development of transition planning agreements and documents
  - Risk Assessments
  - Participation in Exercises and Demonstrations
  - Assistance with Manufacturing Readiness and Manufacturing Plans
  - Phase III contract planning and documentation development
- Benefits
  - Transition support to high priority projects
  - Additional SBIR / STTR funding
  - Matching funds from Program Offices

Authorities

Second (Sequential) Phase II

- Additional Government-requested Phase II contract award
  - Under the same topic, **and**
  - To the same small business, **and**
  - For the same project
- Without competition
- Continues work on the first Phase II project
- Resulting Phase II award must be within the scope of the original topic

Authorities

Subsequent Phase II

- Government-requested Phase II contract award
  - To a Phase I awardee, **and**
  - From an Agency, SYSCOM, or organization other than the original topic owner
- Must follow originating Agency's competitive Phase II selection requirements
- Resulting Phase II award must be within the scope of the original topic but not duplicate any previous Phase II tasking (initial award)

About Phase III

Derives from, extends, or completes prior SBIR/STTR efforts; funded by sources other than the SBIR/STTR programs

- Novated or successor-in-interest;

- Right to sole source contracts;

- Exempt from SBA size standards;

- No limits on number, duration or value of Phase III contracts;

- Federal or non-Federal funding;

- Right to Phase III award to the greatest extent practicable (Phase III mandate);

- Contract or subcontract for any combination of research, research and development, services, products, or production.

What's New

- Open Topics

- New Due Diligence Requirements

- Increased Minimum Performance Standards

- Transition Resources and Programs

- FY22 Year in Review

Navy Open Topics

- Pre-released June 15 | Open July 13 | Close August 15

- Seeking commercial solutions:
  — Manuf. Readiness Level 8/9 (Low Rate Initial Production / Full Rate Production)
  — Proven solutions ready to be adapted to the Navy

- Mission critical needs:
  — Logistics in a Contested Environment
  — Holistic Common Operational Picture

- Technical focuses:
  — Renewable Energy Generation and Storage
  — Trusted AI and Autonomy
  — Advanced Computing and Software
  — Integrated Sensing and Cyber
  — Sustainment

Navy Open Topic
navysbir.com/open_topic

Navy Open Topics

- Open Topic Proposal Template: navysbir.com/links_forms

- May submit only one (1) proposal per open topic

- Phase I feasibility, 4-month $75K

- Competitive Phase II

- Phase II tailored to meet the transition needs of the project
  — Develop/deliver functional prototype for testing and assessment by end users
  — Plan production and fielding approach
  — Harden, ruggedize, and/or marinize the technology for integration into an operational environment
  — Performance validation in a fleet experimentation/demonstration or relevant environment

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New Due Diligence Program

- Due diligence program to assess security risks presented by small business concerns seeking a Federally funded award [SBIR and STTR Extension Act of 2022 (Pub. L. 117-183)].

- Collect *Disclosures of Foreign Affiliations or Relationships to Foreign Countries*

- Conduct a risk-based due diligence review:
  — Cybersecurity practices
  — Patent analysis
  — Employee analysis
  — Foreign ownership of a small business concern - financial ties and obligations of the SBC and employees to a foreign country, foreign person, or foreign entity.

- Assess proposals utilizing open-source analysis and analytical tools, for the nondisclosures of the information set forth in 15 U.S.C. 638(g)(13).

Increased Minimum Performance Standards

Phase I to Phase II Transition Rate Benchmark

- 51 or more Phase I awards during past five fiscal years (excluding current yr)
- Requires an average of one Phase II for every two Phase I awards received during the measurement period

Commercialization Rate Benchmark

- Tier One: 51+ Phase II awards over last 10 years, requires average at least $250,000 in aggregate sales and investments per Phase II
- Tier Two: 101+ Phase II awards over last 10 years, requires average at least $450,000 in aggregate sales and investments per Phase II

More Experienced Firms; Effective April 1, 2023
sbir.gov/performance-benchmarks

New Transition Resources Page

- Navy Transition Programs
- Resources
  — Technology Transition Plan/Agreement
  — Transition Support Teams
  — Phase III Guidebook
  — DON SBIR/STTR Award Search
- Authorities
  — Commercialization Readiness Program (CRP)
  — Technical and Business Assistance (TABA)
  — Matching Funds / Cost Sharing
  — Second (Sequential) and Subsequent Phase II
  — Rapid Innovation Fund (RIF)
  — Phase III
- Best Practices

NAVY SBIR / STTR — *Small Business Innovation Research Small Business Technology Transfer*

Home | About ▾ | BAAs ▾ | Forms/Templates | Search ▾ | Resources ▾ | Contacts | Help

DON SBIR/STTR Transition / Commercialization
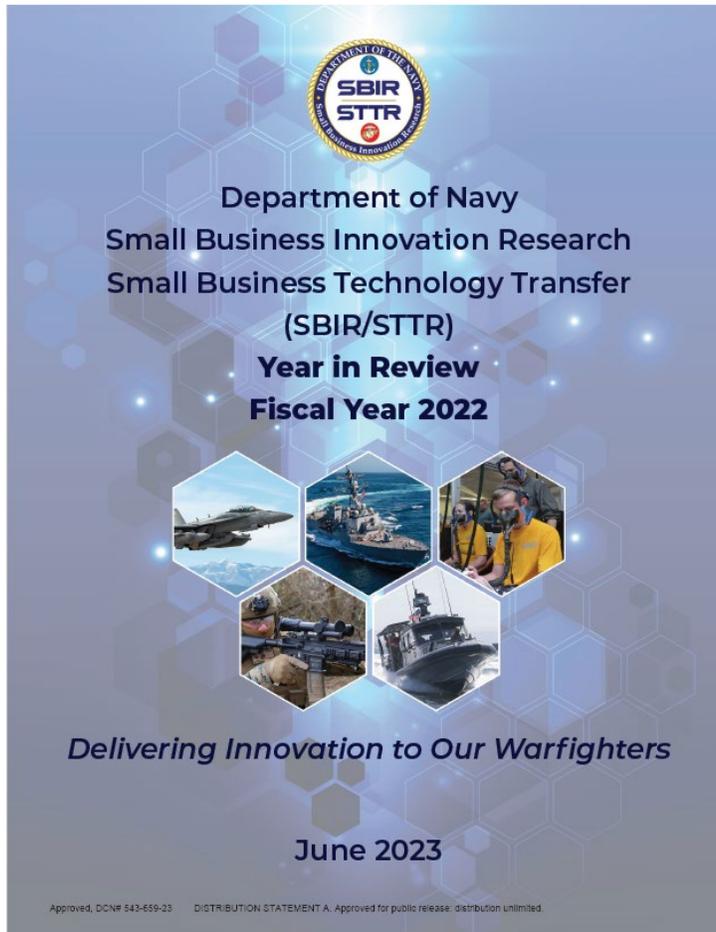
Programs | Authorities | Resources | Best Practices

The ultimate goal of the Department of the Navy (DON) SBIR and STTR programs are to commercialize SBIR/STTR-developed technology to benefit our Warfighters. Commercialization is the process of developing products, processes, technologies, or services and the production and delivery (whether by the originating party or others) of the products, processes, technologies, or services for sale to or use by the Federal Government or commercial markets (SBIR/STTR Policy Directive 3(f)).

Explore the information below to better leverage DON programs, authorities, resources, and best practices that support the commercialization of SBIR/STTR-developed technology.

navysbir.com/trans-com

FY22 Year in Review

Department of Navy
Small Business Innovation Research
Small Business Technology Transfer
(SBIR/STTR)
Year in Review
Fiscal Year 2022

Delivering Innovation to Our Warfighters

June 2023

- Investment by Technology Areas
- Demographics of +2,000 proposals
- Phase I and II Award Statistics
- $1.1B Commercialization by
  — System Command
  — Program Office
  — Technology Area
  — State
- Available at NavySBIR.com

Stay in Touch

Email
navy-sbir-sttr@navy.mil

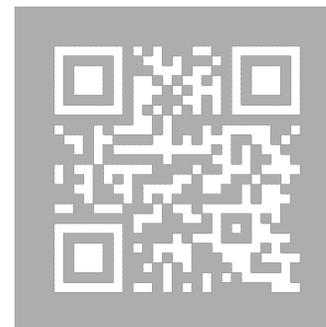**Website**
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