

**NAVSEA SBIR Program**  
**Phase II Proposal Instructions**

**Phase II Proposal Format**

- I. **Proposal Cover Sheet.** Online data entry forms are accessible from the DoD SBIR/STTR Submission site at <http://www.dodsbir.net/submission>. The abstract should include a brief description of the objectives and proposed approach. Anticipated benefits and commercial applications of the proposed effort should be summarized in the space provided. The data from this cover sheet may be accessed by the public and, therefore, must not contain proprietary or classified information.
  
- II. **Technical Proposal.** Submissions to NAVSEA must comply with all relevant instructions contained in the most recent DoD SBIR Program Solicitation, including those specific to the Navy and NAVSEA. Electronic submission of a SBIR Phase II proposal to the DoD SBIR/STTR Submission website is required and must include cover sheet, technical proposal, cost proposal and CCR. Technical proposals, including any proposed contract options, are limited to 25 pages (on standard 8-1/2" x 11" paper with one-inch margins and type no smaller than 10-point). The proposal cover sheet (pages 1 and 2), technical proposal (beginning with page 3) and resumes for key technical personnel provided as part of the technical proposal will count toward the page limitation. The cost proposal and any enclosures or attachments will not count against the page limitation. Limit resumes to one page per resume submitted. Create a single file that addresses the following items in the order given below. Include the firm name, topic number and proposal number in the header of each page. The header may be included in the one-inch margins. The technical proposal file must be in Portable Document Format (PDF) for evaluation purposes. The technical proposal cannot be uploaded to the DoD submission site until a cover sheet has been created and a proposal number assigned. The offeror must perform a virus check before uploading the technical proposal file. If a virus is detected, it may cause rejection of the proposal. The technical proposal should be a single file, including graphics and attachments and cost proposal (if the offeror chooses to not use the website's online cost proposal form). Do not lock or encrypt the uploaded file.
  - A. **Identification and Significance of Phase I Work.** Begin this text on page three of the proposal. The proposal must summarize Phase I efforts and the actual and/or anticipated results.
  - B. **Phase II Technical Objectives.** Enumerate the specific objectives of the Phase II work. The proposal must clearly distinguish between the objectives of the basic Phase II and those of the Phase II option.
  - C. **Phase II Work Plan.** This section should comprise the major portion of the technical proposal and should propose an advancement over the Phase I results appropriate for Phase II. This section must include a proposed statement of work to delineate clearly and unambiguously what the offeror proposes to perform and deliver for the basic effort and any option(s).

1. The proposed statement of work should describe, in chronological order, each task to be performed. Each task description should include: an explanation of the work to be performed, the expected product of the task (report, hardware, etc.), the roles (if any) of subcontractors and/or consultants, the use of materials, software, special equipment, special tooling, etc. in the performance of the task, the period of performance in days and the number of hours to be allocated to the task by the principal investigator and other principal personnel (by name), other personnel (by labor category) and subcontractors and/or consultants (by name).
2. A Phase II contract award typically provides \$750,000, with a performance period of not more than 24 months. A Phase II option can provide up to an additional \$250,000, with an additional six months of performance.
3. Bidders should anticipate opportunities for the government to augment the proposed level of effort or to initiate follow-on R&D for a specific transition (e.g., an aircraft, ship or missile application). To facilitate such an expansion or transition, bidders should consider proposing contract options. Any prerequisite for a concurrent and/or preceding task or option should be specified (e.g., Basic Task 2 and/or Options A & B must be completed before Option C and/or D is exercised – a flowchart would be helpful).
4. Logical technical "milestone(s)" should be scheduled to allow the government to assess and monitor progress and to consider the exercise of any negotiated option(s).

D. **Related Work.** This section should demonstrate the offeror's awareness of an innovative state-of-the-art approach and relevant concurrent efforts. This section of the proposal should describe significant activities, including any conducted by the principal investigator, the proposing firm, consultants, and others. Furthermore, the proposal should describe how these activities relate to the proposed effort, and discuss any planned coordination with outside sources.

E. **Relationship with Future Research or Research and Development.** This section should describe the results and opportunities anticipated if the proposed approach is successful. Explain how the Phase II effort will provide a foundation for follow-on R&D.

F. **Potential Post Research or Research and Development Applications.** This section should describe potential naval, defense, government and private sector applications of the anticipated results.

G. **Key Personnel.** Identify key personnel who will be involved in the Phase II effort, including information on directly related education and experience. A concise technical resume of the principal investigator, including a list of relevant publications (if any), must be included (Please do not include Privacy Act information). Resumes should be limited to one page per resume submitted and

will count toward the applicable page limitation. Identify any foreign citizens you expect to be involved on this project as a direct employee, subcontractor or consultant. For these individuals, please specify their country of origin, the type of visa or work permit under which they are performing and an explanation of their anticipated level of involvement on this project. The firm may be asked to provide additional information during negotiations in order to verify the foreign citizen's eligibility to participate on a SBIR or STTR contract. Supplemental information provided in response to this paragraph will be protected in accordance with Privacy Act (5 USC §552a), if applicable, and the Freedom of Information Act (5 USC §552(b)(6)).

- H. **Facilities/Equipment.** The proposal must describe availability of special instrumentation and physical facilities necessary to carry out the Phase II effort. Items of equipment to be leased or purchased as detailed and priced in the cost proposal for the base award and option(s) must be justified under this section. Also state whether the facilities where the proposed work will be performed meet federal, state (name) and local government environmental laws and regulations for, but not limited to, the following groupings: airborne emissions, waterborne effluents, external radiation levels, outdoor noise, solid and bulk waste disposal practices, and handling and storage of toxic and hazardous materials.
- I. **Subcontractors/Consultants.** Involvement of a university, consultant or other subcontractor(s) may be appropriate. Describe here any proposed use of consultants and/or subcontractors priced in the cost proposal. Clearly identify the nature of work and level(s) of effort to be performed by consultants and/or subcontractors for the basic effort and/or option(s). Describe their qualifications and provide resumes for key consultants and/or subcontractor personnel, as required.
- J. **Prior, Current or Pending Support of Similar Proposals or Awards.** Warning – While it is permissible, with proposal notification, to submit identical proposals or proposals containing a significant amount of essentially equivalent work for consideration under numerous federal program solicitations (see DoD SBIR Program Solicitation Section 2.8), it is unlawful to enter into contracts or grants requiring essentially equivalent effort. If there is any question concerning equivalence, it must be disclosed to the soliciting agency or agencies before award. If a proposal submitted in response to this solicitation is substantially the same as another proposal that has been funded, is now being funded or is pending with another federal agency or DoD contracting activity or the same DoD contracting activity, the proposer must so indicate on the proposal cover sheet and provide the following information:
1. Name and address of the federal agency(s) or DoD contracting activity to which the proposal was submitted, or will be submitted, or from which an award is expected or has been solicited;
  2. Date of award or date of proposal submission;
  3. Title of proposal;

4. Name and title of principal investigator;
5. Issuing agency, title, number and date of solicitation(s) under which the proposal was submitted;
6. If an award was received, state the contract or grant number;
7. Identify the topic number and title for each SBIR proposal submitted and award received; and
8. Attach available documentation of strong third-party interest (including specific funding commitments). These attachments will be treated as proprietary if so marked.

*Note: If DoD SBIR Program Solicitation Section 3.5(b)(10) does not apply, state in the proposal “No prior, current or pending support for proposed work.”*

- K. **Transition Plan.** This plan should be updated as Phase II work progresses. It will be reviewed by the appropriate TPOCs and SBIR PMs as a factor in continuing base efforts and the exercising of options. Provide a cover sheet, two to five pages of narrative and attachments as follows:

**1. Transition Plan Cover Sheet.**

- a. Firm name and address;
- b. Topic number, proposal title;
- c. Contact information for principal investigator and corporate official (phone number and e-mail);
- d. Phase I contract number, name of Government Technical Monitor;
- e. Phase I SYSCOM Sponsor; and
- f. Phase I Acquisition Sponsor.

**2. Narrative.**

- a. **Product/Technology Description** (one to three pages). Briefly describe the proposed Phase II project and objectives and the product or service expected to result from a Phase III effort. Include:
  - i. Summary of Phase I work/results;
  - ii. Potential benefits of proposed technology;
  - iii. Potential issues and risks (cost, schedule, technical, manufacturability, etc.); and
  - iv. Summary of proposed Phase II work.
- b. **DoD Customer Identification and Need** (half to one page). Identify the customer and the requirements for this technology. The response should demonstrate an understanding of the intended customer, how this technology would fulfill a specific

customer need and how the technology might ultimately be delivered to the customer as a result of commercialization by the Navy, another government entity or the private sector.

- c. **Company History** (half to one page). Provide a brief overview of the company's history, core competencies and experience with commercialization and/or transition of technology to DoD. Indicate the number of employees in the firm, their skill base and your organizational structure. If partnering is not anticipated, indicate why the company would be a credible supplier to the Navy. Describe experience to date with being a supplier of products/services to any market and, as appropriate, indicate the cumulative revenues that have resulted from product sales.
2. **Attachments**. Attach letters of endorsement from within the DoD or from the private sector that discuss the direct benefit of the technology to the agency(s) and/or their intent of follow-on funding either during Phase II or Phase III. Letters of endorsement are strongly encouraged and provide validation of interest by others.

**III. Cost Proposal.** The online data entry forms for the cost proposal are on the DoD SBIR/STTR Submission website. This file, however, may only allow details for a single option; consequently, roll up the costs for all of the options for this display and provide a summary cover sheet of the basic award and each option cost as page 1 to the cost proposal section. A thoroughly itemized cost proposal can significantly reduce the amount of time required for contract negotiation. Separate costs must be submitted for the Phase II basic effort and for each Phase II option. If an item does not apply to the proposed effort, state, "Not Applicable." Sufficient information should be provided to allow the evaluator to understand planned use of the funds. A monthly, bimonthly or quarterly payment schedule may be proposed. The following paragraphs illustrate the level of cost detail that a contracting officer requires before beginning negotiations. For proprietary reasons, subcontractors, consultants or vendors may want to give you only bottom line quotes. In such cases, and only upon request of the contracting officer, detailed quotes from these parties should be sent directly to the government contracting officer.

- A. **Offeror's Direct Labor**. List all key personnel by name and other personnel by labor category (e.g., senior scientist). Specify the number of hours to be dedicated to the project and hourly costs for each.
- B. **Subcontractors/Consultants**. List consultants by name and specify, for each, the number of hours and hourly costs. Detailed quotes from subcontractors should be provided in the same format. Note that a subcontract entered into for performance of research or research and development differs from an arrangement with a vendor to provide a service such as machining, analysis with test equipment or use of computer time. The costs of such arrangements with vendors should be covered under Special Tooling, Testing, Test Equipment and Material or under

Other Direct Costs. Upon request of the contracting officer, the subcontractor's cost proposals may be sealed or mailed directly for government eyes only.

- C. **Special Tooling, Testing, Test Equipment and Material.** The need for these items, if proposed, will be carefully reviewed. The offeror should provide competitive quotes to support the proposed costs or should justify why only one source is available. Competitive quotes may be signed quotes from vendors or copies of catalogue pages. Normally the costs of any equipment should be quoted on a purchase basis, unless the offeror can demonstrate that lease or rent of the equipment is clearly advantageous to the government. The Contracting Officer will make the final determination.
- D. **Travel costs.** Travel (i.e., airfares, car rental and per diem) must be justifiable in terms of the proposed effort. Specify how many people will travel, their intended destinations and the duration of their trips (in days). Please note that all Phase II award winners must attend a one-day Transition Assistance Program (TAP) meeting in the Washington, DC area during the second year of the Phase II effort. If a Phase II contract is awarded, the firm will be contacted with more information regarding this program. Additional information about TAP is available at <http://www.dawnbreaker.com/navytap/index.php>. NAVSEA recommends budgeting for at least one additional trip to Washington, DC.
- E. **General & Administrative (G&A).** If applicable, include the G&A rate and its application base, consistent with the firm's approved accounting system.
- F. **Facility Capital Cost of Money (FCCM).** If applicable, include the firm's FCCM rate(s) and its application base, consistent with the firm's approved accounting system.
- G. **Fixed Fee/Profit.** If applicable, include the proposed fixed fee/profit.
- H. **Accounting Systems.** In order to facilitate the government's evaluation of the cost proposal, provide the following information:
  - 1. If the firm's accounting system and indirect costs have been reviewed and approved by a government auditor, provide the name, address and telephone number of that auditor, and
  - 2. If the firm's accounting system has not been approved by the Government auditor, please provide:
    - i. A description of the accounting system, and
    - ii. The method used to compute indirect costs. (Include the details of indirect cost pools and the base against which they are applied as summarized above.)

**IV. Company Commercialization Report.** All SBIR and STTR proposals must be accompanied by an online Company Commercialization Report (CCR) that summarizes the "value" of all prior SBIR and STTR awards to the offeror. The online data entry forms for the CCR are accessible from the DoD SBIR Electronic Submission Website. Any relevant success story(s) resulting directly from a Phase I or Phase II award may be summarized briefly and submitted separately through the Navy SBIR website at

<http://www.onr.navy.mil/sbir>. A Navy success story is any follow-on funding that a firm has received based on technology developed from a Navy SBIR or STTR Phase II award. The success stories should be included as appendices to the proposal. The success story information will be used as part of the evaluation of the third criteria, Commercial Potential (see DoD SBIR Program Solicitation Section 4.4), which includes the CCR and the strategy to commercialize the technology discussed in the proposal. The Navy is very interested in companies that transition SBIR efforts directly into Navy and DoD programs and/or weapon systems.

A CCR showing that a firm has received no prior Phase II awards will not affect the firm's ability to obtain an SBIR award. Phase III efforts should also be reported to the Navy SBIR program office.