



ONR SBIR PHASE II PROPOSAL PREPARATION AND SUBMISSION GUIDELINES

The Office of Naval Research Small Business Innovation Research (ONR SBIR) is managed by the Office of Transition SBIR/STTR Division (ONR 03TSB) in conjunction with Navy & Marine Corps Science & Technology (S&T) Programs as described on the **ONR SBIR Home Page** http://www.onr.navy.mil/sci_tech/3t/sbir_sttr. These guidelines are provided for ONR SBIR sponsored topics.

ELIGIBILITY AND LIMITATIONS

Only those companies which have successfully executed a Phase I contract and have been invited formally or informally by the Navy technical point of contact (TPOC) for the Phase I contract, or ONR SBIR Program Manager (PM), are eligible to submit a follow-on Phase II proposal. ONR reserves the right to make no award, one award, or more than one award in any topic. Any contractor proposing research that requires human, animal and recombinant DNA use is advised to view requirements at website http://www.onr.navy.mil/sci_tech/ahd_usage.asp. This website provides guidance and notes approvals that may be required before contract/work may begin.

Each proposing firm must:

- Continue to qualify as a small business as defined in the most recent DoD SBIR Solicitation, and certify to this on the Cover Sheet (Appendix A) of the proposal.
- Perform a minimum of one-half of the research or research and development effort (Phase II) in-house.
- Be the primary employer of the principal investigator at the time of 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).
- Perform the research or research and development within the United States. "United States" means the fifty states, the Territories and possessions of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the District of Columbia.
- Complete electronic annual representations and certifications at <http://orca.bpn.gov>. The Online Representations and Certifications Application (ORCA) will be supplemented by DFARS and contract specific representations and certifications found at [DFARS and Contract Specific Representations and Certifications](#)

Joint ventures and limited partnerships are permitted, provided that the entity created qualifies as a small business in accordance with the most recent DoD Solicitation, and provided that the Phase I contract was awarded to the joint venture or partnership. Note: Any deviation from these requirements must be explicitly approved in writing by the Contracting Officer during negotiations.

PROPOSAL PREPARATION/SUBMISSION

GENERAL REQUIREMENTS -- Submissions to the ONR must comply with all relevant instructions contained in the most recent DoD SBIR solicitation - including those in the Navy section. Electronic submissions of SBIR Phase II proposals to the DoD SBIR /STTR Submission website at <http://www.dodsbir.net/submission> are required and must include Cover Sheets, Technical Proposal, Cost Proposal, and Company Commercialization Report. In addition, each Phase II proposal must contain a two-five page transition plan as part of the technical proposal.

Offerors should adhere to the following ONR technical proposal and cost proposal preparation requirements:

- A "base" ONR Phase II contract award (up to \$450K) with or without options for a cumulative total of up to \$750K is intended to support full and/or part-time employment of key investigators for a 24-month (typically) period. An award may exceed these parameters on a case-by-case basis; especially if third party funding, that is non-SBIR, is provided. Phase II Enhancements are not part of the phase II proposal and will only be considered if a Phase III is awarded and funded by an acquisition program (does not include "plus-up" funding) during the performance of the Phase II contract.
- The proposed Phase II effort should be based on further development of the technological innovation performed in Phase I, should stay within the scope of the solicitation topic, and should have high potential to provide new or improved products, processes, or services to the Navy and/or other Defense components with additional benefits to the commercial and the private sector. In assessing the DoD market, offerors are encouraged to use various resources, including the free technical information services available from the Defense Technical Information Center (DTIC) and other information assistance organizations noted in the most recent DoD Solicitation. First-time awardees should register as a Phase I contractor at DTIC to access the DTIC's data bases. The DTIC SBIR Services Internet link is <http://www.dtic.mil/dtic/sbir>.
- An SBIR proposal must provide sufficient information to persuade evaluators that it is worthy of support. The evaluation criteria stated in the most current DoD Solicitation will be used.
- The proposal must be for a Cost Plus Fixed Fee (CPFF) type contract. At the time of award the contractor must have a job-order-based accounting system capable of accruing costs under a government CPFF contract. A list of Defense Contract Management District East and West Associate Small Business Directors is found at <http://www.dcmaw/index.htm> & <http://www.dcmaw/index.htm>, respectively.

- Submissions must comply with all relevant instructions contained in the most recent DoD solicitation on markings required for proprietary and classified information, etc. Do not include proprietary information or classified information in the coversheet abstract or benefits sections (on-line submission).
- Use 1-inch margins and a type size no smaller than 12 pitch or 11 point.
- Limit your technical proposal to 40 pages including the option but excluding the Transition Plan, Supporting Material and Cost Proposal. All pages from the first through the last must be consecutively numbered.
- All Phase II award winners must attend a one-day Transition Assistance Program (TAP) meeting in the Washington D.C. area during the second year of the Phase II effort. If you receive a Phase II award, you will be contacted with more information regarding this program or you can visit <http://www.dawnbreaker.com/navytap/index.php>. Recommend budgeting at least one trip to Washington in your Phase II cost proposal.

TECHNICAL PROPOSAL -- The technical proposal should consist of the following sections:

1. **Completed Cover Sheet.** The on-line 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 these coversheets may be accessed by the public, and therefore, must not contain proprietary or classified information.
2. **Identification and Significance of Phase I Work.** (Begin this text on page three of your proposal). Summarize the proposed effort and its actual and/or anticipated results.
3. **Phase II Technical Objectives.** Enumerate the specific objectives of the Phase II work. Clearly distinguish between the objectives of the basic Phase II and those of the Phase II option.
4. **Phase II Work Plan.** This section should be the major portion of the technical proposal and 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 do and deliver for the basic effort and for the option(s).

[a] 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 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; 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).

[b] 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 consider proposing six- to twelve-month options up to \$150K, each. 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). Please note that the statement of work for an option may be overtaken by events during execution of the basic award, and proposed changes may be authorized by the Contracting Officer, if and when exercised, as long as the cost proposal remains valid.

[c] Logical technical "milestone(s)" should be scheduled to allow the government to assess progress and to consider the exercise of any negotiated option(s).

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

6. **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 research and development.

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

8. **Key Personnel.** Identify key personnel who will be involved in the Phase II effort including information on directly related education and experience. A concise resume of the principal investigator, including a list of relevant publications (if any), must be included. Clearly identify which personnel will perform on the basic effort and which will perform on the option.

9. **Facilities/Equipment.** 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 or not 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.

10. **Consultants/subcontractors.** 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.

11. **Prior, Current and/or Pending Support.** If there is no such effort, include the following statement in this section, "No prior, current or pending support for proposed work." Indicate on the coversheet if the proposal is relevant to or substantially the same as that of any completed, ongoing or pending proposal by the offeror and provide the following information in this section:

- Name and address of the federal agency(s) or DoD Component to which the proposal was submitted, or will be submitted, or from which an award is expected or has been solicited.
- Date of award or date of proposal submission.
- Title of proposal.
- Name and title of principal investigator.
- Issuing agency, title, number and date of solicitation(s) under which the proposal was submitted.
- If an award was received, state the contract or grant number.
- Identify the topic number and title for each SBIR proposal submitted and award received.
- Attach available documentation of strong third-party interest (including specific funding commitments) --these attachments will be treated as proprietary if so marked.

12. **Transition Plan.** This plan should be updated as the Phase II 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 page, 2 to 5-page narrative and attachments as follows:

Cover page:

- Firm name and address
- Topic number, proposal title
- Principal investigator and corporate official (with phone number and e-mail)
- Phase I contract number, name of Government Technical Monitor
- Phase I SYSCOM Sponsor
- Phase I Acquisition Sponsor

Narrative:

1. **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:
 - Summary of Phase I work/results
 - Potential benefits of proposed technology
 - Potential issues and risks (cost, schedule, technical, manufacturability, etc.)
 - Summary of proposed Phase II work

2. ***DoD Customer Identification and Need*** (half to one-page) – Identify the customer and the requirements for this technology. Address the following questions:

- What is the target for your technology?
- Who is responsible for buying that target?
- Who is responsible for building that target?
- Who is responsible for maintaining that target?
- When can the target accept your technology?
- Where is the money to buy your technology?
- Why is your technology important to the target; what need is being satisfied?
- Will your technology meet the target's requirements?
- What is the cost technology?
- Who will manufacture your technology?
- What is the TRL of your technology?
- Has your technology been tested, evaluated, accepted?
- Who is your competition?
- What approach does the Navy currently use to address this need and what benefit does your technology have over other approaches?

3. ***Company History*** (half to one-page) – Provide a brief overview of your company's history, core competencies, and experience with commercialization and/or transition of technology to DoD. Indicate the number of employees in your firm, their skill base, and your organizational structure. If partnering is not anticipated, indicate why your company would be a credible supplier to the Navy. Describe your 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.

Attachments — Attach letters of endorsement from within the DoD or private sector which discuss the direct benefit of the technology to them and/or their intent of follow-on funding either during Phase II or under a Phase III award. Letters of endorsement are strongly encouraged and provide validation of interest by others.

COST PROPOSAL – The on-line data entry forms for the cost proposal are on the DoD SBIR/STTR Submission website at <http://www.DoDsbir.net/submission>. 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, detailed quotes from these should be sent directly to the government contracting officer.

- 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.
- Consultants/Subcontractors. 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, use of computer time, and the like. The costs of such arrangements with vendors should be covered under Special Tooling, Testing, Test Equipment, and Material or under Other Direct Costs. The subcontractor's cost proposals may be sealed or mailed directly for Government eyes only.
- 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.
- 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 to what places for how many days. Please note that all Phase II award winners must attend a one-day Transition Assistance Program (TAP) meeting in the Washington D.C. area during the second year of the Phase II effort. If you receive a Phase II award, you will be contacted with more information regarding this program or you can visit <http://www.dawnbreaker.com/navytap/index.php>. Recommend budgeting at least one trip to Washington, DC.

- General & Administrative (G&A). If applicable, include your G&A rate and its application base consistent with your approved accounting system.
- Facility Capital Cost of Money (FCCM). If applicable, include your FCCM rate(s) and its application base consistent with your approved accounting system.
- Fixed Fee/Profit. If applicable, include the proposed fixed fee/profit.
- In order to facilitate the Government's evaluation of your cost proposal, you should provide the following information.
 - (a) If you have an approved accounting system, and your indirect costs have been reviewed by a Government auditor, provide the name, address, and telephone number, of that auditor.
 - (b) If your accounting system has not been approved by the Government auditor, please provide:
 - a description of your accounting system, and
 - the method you used to compute your indirect costs. (Include the details of indirect cost pools and the base against which they are applied as summarized above.)

COMPANY COMMERCIALIZATION REPORT -- All SBIR and STTR proposals must be accompanied by an on-line report that summarizes the “value” of all prior SBIR & STTR awards to the offeror. The on-line data entry forms for the Company Commercialization Report are accessible from the DoD SBIR/STTR Submission website at <http://www.DoDsbir.net/submission>.

- Any relevant success story(ies) which resulted 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 (listed in Section 4.2 of this solicitation) which includes the Company’s Commercialization Report and the strategy described 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. If a firm has never received a Navy SBIR Phase II it will not count against them. Phase III efforts should also be reported to the Navy SBIR program office.