

PROPOSAL PREPARATION/SUBMISSION

GENERAL REQUIREMENTS

Submissions to Strategic Systems Programs 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 4 items:

1. Cover Sheet
2. Technical Proposal with Commercialization Strategy/Transition Plan
3. Cost Proposal
4. Company Commercialization Report.

PROPOSAL PREPARATION REQUIREMENTS

1. A "base" Phase II contract award (up to \$600K over a nominal 24-month period) with a six-month option for a cumulative total of up to \$750K to support full and/or part-time employment of key investigators. 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 Congressional "plus-up" funding) during the performance of the Phase II contract.
2. 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, performance 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>.
3. 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.
4. 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. FFP awards can be made at the PCO's discretion when the requirements for CPFF awards cannot be satisfactorily met.

5. 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).
6. Use single-column format with 1-inch margins and a type size no smaller than 12 pitch or 11 point. Number all pages of the proposal consecutively. The cover sheets are pages 1 and 2. The technical proposal begins on page 3. The header on each page of the technical proposal should contain your company name, topic number, and proposal number assigned by the DoD Electronic Submission Web Site when the cover sheet was created. The header may be included in the 1-inch margin.
7. Limit your Technical Proposal including the Transition Plan, option and any supporting material to 45 pages excluding the Cost Proposal. All pages from the first through the last must be consecutively numbered.
8. 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, visit <http://www.dawnbreaker.com/navytap/index.php>. Budget at least one trip to Washington in your Phase II cost proposal.

COVER SHEET

The on-line data entry forms are accessible from the DOD SBIR/STTR Submission site at <http://www.DODsbir.net/submission>. After logging in, click on **Phase II Proposal Preparation**, then click on **ADD NEW COVER SHEET**. 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. Once you save the coversheet, the system will assign a proposal number. You may edit the coversheet as often as necessary until the solicitation closes or you submit the proposal. Your cover sheets will count as the first two pages of your proposal no matter how they print out. If your proposal is selected for award, the technical abstract and discussion of anticipated benefits will be publicly released on the Internet; therefore, **do not include proprietary or classified information in these sections.**

TECHNICAL PROPOSAL WITH TRANSITION PLAN

Create a single file that covers the following items in the order given below. Begin your technical proposal on Page 3 (since the cover sheets are pages 1 and 2) and put your 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. You can not upload the technical proposal to the DoD Submission site until you have created a coversheet and been assigned a proposal number. 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. Do not lock or encrypt the file you upload.

The technical proposal should consist of the following sections:

1. Identification and Significance of Phase I Work. (Begin this text on page 3 of your proposal since the Cover Sheet accounts for pages 1 and 2). Summarize the specific technical problem or opportunity addressed and the actual results of the Phase I effort.

2. Phase II Technical Objectives. Enumerate the specific objectives of the Phase II work including the questions it will try to answer. Clearly distinguish between the objectives of the basic Phase II and those of the Phase II option.

3. 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.

[a] The proposed statement of work should describe, in chronological order, each task to be performed explicitly and in detail. 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, consultants or Government entities (such as specialized test facilities); 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). The tasks should also be presented in a schedule showing start and stop dates along with significant milestones. Logical technical "milestone(s)"

should be scheduled to allow the government to assess progress and to consider the exercise of the negotiated option

[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 a six- to twelve-month option up to \$150K. 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 Phase II options will only be exercised if Strategic Systems Programs or other DoD agencies commits to a Phase III transition during or following a Phase II effort.

4. 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, discuss any planned coordination with outside sources and include (1) a short description, (2) the client for which work was performed (including individual to be contacted and phone number), and (3) the date of completion.

5. 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 or commercialization.

6. Commercialization Strategy/Transition Plan. This will be reviewed by the appropriate TPOCs and SBIR PMs as a factor in continuing base efforts and the exercising of options. The commercialization strategy must also include a schedule showing the quantitative commercialization results from the Phase II project that your company expects to report in its Company Commercialization Report Updates one year after the start of Phase II, at the completion of Phase II, and after the completion of Phase II.

[a] Narrative:

(1). Product/Technology Description – 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 – Identify the customer(s) and the requirements for this technology. Address the following questions:

- What is the market for your technology?
- What is the size of the market?
- Who is responsible for buying in that market?
- Does your company contain marketing expertise and, if not, how do you intend to bring that expertise into the company?
- Who in your company is responsible for achieving a Phase III transition?
- When can the market accept your technology?
- How much money will you need to bring the technology to market, and how will you raise that money?
- Why is your technology important to the market; what need is being satisfied?
- Will your technology meet the market's requirements?
- What is the cost of your technology to the market?
- Who will manufacture your technology?
- What is the TRL of your technology now and what will it be at the end of Phase II?
- Who is your competition and what is your price and/or quality advantage over your competitors?
- What approach does the Navy currently use to address this need and what benefit does your technology have over other approaches?

(3) Company History – 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.

(4) Attachments — Attach letters of endorsement from within the DOD or the 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. These attachments will be treated as proprietary if so marked.

7. 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. Identify any foreign nationals you expect to be involved on this project, country of origin and level of involvement.

8. 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.

9. 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. A minimum of one-half of the research and/or analytical work in Phase II, as measured by direct and indirect costs, must be carried out by the proposing firm, unless otherwise approved in writing by the contracting officer. No portion of a SBIR award may be subcontracted back to any Federal government agency, including Federally Funded Research and Development Centers (FFRDCs). SBA may issue a case-by-case waiver to this provision after review of the DoD component's written justification that includes the following information: (a) an explanation of why the SBIR research project requires the use of the Federal facility or personnel, including data that verifies the absence of non-federal facilities or personnel capable of supporting the research effort; (b) why the Agency will not and can not fund the use of the Federal facility or personnel for the SBIR project with non-SBIR money; and (c) the concurrence of the small business concern's chief business official to use the Federal facility or personnel. Award is contingent on the sponsoring agency obtaining a waiver.

10. Prior, Current and/or Pending Support of Similar Proposals or Awards. 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:

- [a] 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.
- [b] Date of award or date of proposal submission.
- [c] Title of proposal.
- [d] Name and title of principal investigator.
- [e] Issuing agency, title, number and date of solicitation(s) under which the proposal was submitted.
- [f] If an award was received, state the contract or grant number.
- [g] Identify the topic number and title for each SBIR proposal submitted and award received.

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>. 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 the 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, visit <http://www.dawnbreaker.com/navytap/index.php>. Budget 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>.

1. 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.