



TRANSITIONS

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From the Director

With a summer full of Nature's challenges and the 2011 Navy Opportunity Forum behind us, this fall presents new challenges and opportunities to the SBIR/STTR community on several fronts including the Defense Rapid Innovation Fund (RIF) program, SBIR/STTR reauthorization, and the new "Green Portal" for energy opportunities. As you know, the Navy SBIR/STTR Program never stands still: I invite your contributions as we continue to embrace change.

2011 Navy Opportunity Forum®

The Department of Navy took another step forward in presenting an exceptional class of Phase II projects at our Forum this past June featuring prominent keynote addresses by the Navy Undersecretary and a senior White House Office of Science & Technology Policy official. With 1,400 attendees, our Forum showed increasing SBIR commercialization traction with the Navy acquisition community and top-tier defense industry firms. (For more complete coverage, see pg. 6 of this issue.)

NAVY RIF FACTS

Priority selection of White Papers for RIF awards is for Small Businesses (under 500 employees) that:

- meet operational needs (validated JUON, UON, UUN, Navy Operational Challenge, or critical National Security Need as cited in a Presidential Executive Order or equivalent document), and/or
- support rapid insertion into a DoN POR or other acquisition program, and
- have previously received Small Business Innovation Research Phase II awards or performed IR&D in support of their proposed projects.

It is anticipated that enough White Papers of sufficient merit will be received from this population to exhaust available funding. Other firms are not precluded from submitting White Papers, but should be aware of the selection preference.

All submissions must be made to www.navysbirprogram.com/NavyRIF by 3 p.m. EST on Nov. 7, 2011. All submissions are final and should not contain any classified information.

Defense Rapid Innovation Fund (RIF) Program

Transitions readers will recall our coverage of the 2009 Navy Opportunity Forum® keynote speaker, former HASC Chairman Ike Skelton, as he described a proposed \$400M fund to accelerate delivery of priority SBIR solutions to the warfighter, based on a successful NAVSEA PEO-level model crafted by House appropriators in 2007 and implemented annually since FY2008. Congress formalized the potentially ground-breaking initiative last April in P.L. 111-383, the Ike Skelton National Defense Authorization Act for FY2011 and its accompanying FY2011 Defense Appropriations Act. On 12 August, Undersecretary of Defense (AT&L) Dr. Ashton Carter signed out his "Defense R&D RIF Goals and Implementation Guidelines" (Google this title to read the entire memo), with these key points:

- RIF will "...facilitate the rapid insertion of innovative technologies into military systems or programs that meet critical national security needs..." aligned with operational challenges and "...reflect (DoD) emphasis on rapid, responsive acquisition and engagement of small, innovative businesses in solving defense problems."
- RIF will be segmented in initial \$24M increments for each Service, with a \$27.5M increment for DoD's "fourth estate" of nine smaller agencies to be managed by OSD Office of Small Business Programs. Further \$81M increments may be available subsequently to each Service.
- Two-year awards capped at \$3M will be made to projects that address Joint Urgent Operational Needs (JUONs), or other Service-based urgent operational needs – Navy calls these "Naval Operational Challenge Areas" -- or ACAT program needs, or critical national

"We are a better Navy and a better Marine Corps for innovation. We have led the world in the adoption of new energy strategies. This is our legacy."

- Ray Mabus, U.S. Secretary of the Navy

security needs. These challenge areas are listed in the amended BAA. Selection preference goes to small businesses whose projects accelerate the deployment of a military capability to resolve operational challenge areas and show a clear transition path into existing ACAT or other acquisition programs

- BAAs from each Service and DoD's "fourth estate", will be open for a minimum of 45 days (Navy RIF BAA closes 7 November 2011), will solicit White Papers and later, Technical Proposals, to be evaluated according to criteria listed in the BAA's.

SBIR awardees interested in proposing RIF projects to the Navy should carefully read ONR BAA # 11-032 (make sure you look at the latest amendment, currently amendment 0002 published 22 September) and submit a White Paper for Navy SYSCOM PEO-level review, using a dedicated Navy RIF website, www.navysbirprogram.com/NavyRIF to build your submission. Technical Proposals will not be accepted by the Navy for review unless they have been requested after PEO-level review of the mandatory White Paper. Army and Air Force BAAs are unique to each Service; the DoD "fourth estate" BAA issued by OSD OSBP on 16 September 2011 under HQ0034-11-BAA-RIF-0001.

While the RIF opportunity is significant for SBIR awardees, funding is tightly restricted for the \$24M RIF pilot effort, award criteria regarding urgent operation needs identification present a stiff challenge to many SBIR firms, and competition will be tough – so think carefully before you decide to throw your hat in the RIF ring. In any case, RIF marks a welcome turning point in Congressional understanding of SBIR technology transition needs and challenges.

SBIR/STTR Reauthorization

On the other hand, as the small business community is painfully aware, Congress has been unable to reauthorize the SBIR/STTR program – despite what often looks like bi-partisan support, thanks to your proactive advocacy, as tracked by The SBIR Insider and other newsletters. At this writing, there's no predicting what Congress will do towards reauthorization before the expiration of the current Continuing Resolution – the 14th such extension -- on 18 November 2011. What can you do? Continue to be proactive, especially with new members of Congress, in telling the SBIR story of technology innovation, meeting national needs, job creation and local economic impact – all packaged in a federal program that is not "new money".

"Green Portal" for Energy Opportunities

Although we still don't see substantial DoD and Service-level funding to support the highly advertised new energy and energy efficiency initiatives, SBA is close to debuting a new "Green Portal" one-stop shopping website describing the universe of energy-linked resources and opportunities available – including customer opportunities for small business and relevant SBIR/STTR Topics. With DASN (Energy) Tom Hicks and Navy Director of Small Business Programs Sean Crean collaborating to promote small business opportunity in the Navy's CNO-driven energy initiative, this Green Portal website could help the Navy implement the 19 July 2011 memo on "Increased Use of Small Business Concerns" signed out by ASN Sean Stackle.

ASN RDA Memo of 19 July 2011 on "Increased Use of Small Business Concerns"

This important memorandum, following a series of small business-friendly "Better Buying Power" memos from former Undersecretary of Defense Dr. Ashton Carter, sets a new Navy performance standard for small business contracting and subcontracting – you'll find it via Google through its title or date – and contains the following language, which we hope may create significant new SBIR/STTR opportunity:

"Long term process improvements for small business engagement in line with the initiatives to improve acquisition excellence.

- Subcontracting: Acquisition strategies for all ACAT I and ACAT II programs must address Small Business and SBIR/STTR engagement through the next milestone decision or during program sustainment, as applicable. The Technology Insertion Plan should identify specific SBIR/STTR technologies to be transitioned to meet program capability gaps and a schedule to deploy these capabilities.

Program managers and contracting officers should include a Small Business Incentive Fee for meeting specific small business and SBIR subcontracting levels in contracts where incentives are used.

- Accountability: Senior leadership at the Flag, General Officer and SES level that influence acquisitions will have performance standards established to demonstrate support for the DON small business mission.

Adopting a practical approach where small business is considered as the first option, not only supports DoD goals, but supports the DON mission to increase competition, reduce costs, and provide quality products, services and solutions that support our Sailors and Marines."



John Williams
Director, Navy SBIR/STTR Programs

Trident Systems, Inc. Finds Phase III Success

Trident Systems, Inc., a Fairfax, VA based, veteran-owned small business with more than 25 years of experience providing unique applications of emerging military technologies, has extensive experience with marketing products to government customers, including the Navy, Army, USSOCOM and NSA, among others. They have nearly 150 employees, operate seven U.S.-based locations and have strong international connections. One of Trident's successes was through a 2004 Navy-funded SBIR (NAVAIR Topic SC03-004), which responded to a need for support of persistent information and intelligence collection in denied areas.

At that time, Naval Expeditionary Forces and Special Operation Forces lacked technical means to enable persistent intelligence, surveillance and reconnaissance (ISR). Critical information, actionable intelligence and preemptive cues were not being rapidly relayed to decision makers due to "stove piped" systems, which were not properly optimized. Trident's technology addressed the Navy's need by providing the ability to deploy and maintain a persistent, clandestine and unattended network of sensors in regional conflicts.

Once the work had begun, Trident was quick to recognize that this was essentially a "communications issue" - the need to rapidly get the data from the enhanced network to the proper ISR operator. A process was already in place for gathering intelligence, surveillance and reconnaissance information from tactical locations, with the majority of intelligence being collected by National Technical Means (NTMs). One of the challenges was to complement the strategic collection by the NTMs with more rapid communications of the ISR information to the appropriate decision makers. The Trident approach focused on optimizing the wireless radios within environmentally hardened but miniaturized form factors. Transporting the information from the ground sensors to the end users provided the necessary endpoint solution.


While there were a variety of network sensors and data nodes (low data rate, high data rate, as well as a Wireless Node Controller) needed under this SBIR, meeting the necessary schedule was also critical. Because of their experience, Trident Systems, Inc. was successful in meeting the timetable and sensor specifications of an additional SOCOM need for the technology, for which they received a \$20.3M IDIQ. They have fulfilled thirteen delivery orders against this IDIQ. Additionally, Trident was awarded a \$3M contract from the Marines and a \$1M contract from the Navy to develop additional communication links.

Currently, Trident's family of hand-deployed unattended sensor products are optimized to meet persistence, envi-

ronmental (MIL-STDs 810F, 461E), and transportability needs and can be deployed as an independent system or integrated into existing systems for a variety of tactical surveillance and force protection scenarios.

When asked what advice he would give to other small businesses, Trident director of business development, Mike Casey, said, "SBIR firms need to be especially tactical in assessing what the Navy and other military branches need in the search for end product solutions. Meeting the Phase II technical specifications is the minimum expectation that most SYSCOMs have for their sponsored projects." He went on to say that, the SYSCOMs are essentially looking for end-point solutions that may bring together several Navy requirements into a more robust solution. That is what Trident Systems realized in addressing the NAVAIR-sponsored SBIR to provide enhanced image capture and transfer capability.

"Flexibility is the key," Casey said, "Don't rely on the expectation that prime contracts or Programs of Record (POR) will necessarily provide Phase III funding, but listen to what your SYSCOM really needs! It's important that SBIR firms realize that, in concept incorporation into a POR or adoption by a prime contractor is a logical objective of a Phase II initiative. However," he explained, "SBIR firms need to be vigilant in their pursuit of the true 'end product' being sought by the Navy. Needs are constantly changing and may be evolving to a more sophisticated requirement throughout the three year SBIR time frame."



For more information about Trident Systems, Inc.,
visit their website at:
www.tridsys.com.



New PEO Established for LCS

On July 11, 2011, the Navy established the Program Executive Office, Littoral Combat Ships (PEO LCS), during a ceremony at Washington Navy Yard. The new PEO provides a single program executive responsible for acquiring and maintaining the littoral mission capabilities of the LCS class from start to finish, beginning with procurement, and ending with fleet employment and sustainment. PEO LCS will be supported by PEO Ships in meeting LCS seaframe needs.

In a memo establishing the new PEO, Asst. Secretary of the Navy (Research, Development and Acquisition) Sean J. Stackley said, "The littoral combat ship is a critical shipbuilding program and demands the very best skill and effort from government and industry teams. To ensure that we deliver this program to the fleet successfully, I am establishing a new Program Executive Office, Littoral Combat Ships that will align several program offices into one consolidated PEO, focused entirely on achieving that result. This action takes efforts that are currently managed across multiple organizations, and integrates design and development and tests, trials and evaluations under one roof. PEO LCS will have authority across all aspects of the program."

Rear Adm. Jim Murdoch will be the first PEO LCS. He previously served as the program manager for LCS seaframe and is currently serving as director of Fleet Maintenance for U.S. Fleet Forces. Anne Sandel, who served most recently as PEO LMW, will be the executive director of PEO LCS.

"I am excited by the challenge of leading this historic effort to provide the Navy with new and highly capable warships equipped with extraordinary aviation features, large payload capacities and flexible environments for future missions - all contained within a fast, stable and efficient seaframe to support the Navy's needs today and tomorrow," said Murdoch.

The Importance of LCS

As a new warship concept designed to address asymmetric anti-access threats in the littoral waters of the world, the ship itself is referred to as the "sea frame," while much of the combat capability resides in interchangeable modularized mission packages. These modularized mission packages rely heavily on manned and unmanned offboard systems.



LCS can be configured to meet one of three anti-access focused missions of antisubmarine warfare (ASW), anti-surface warfare (SUW), and mine countermeasures (MCM) with the installation of the modularized mission packages. Together, the LCS sea frame and required mission packages are designed to defeat such "anti-access" threats as fast, armed boats, quiet diesel submarines and mines.

To date, USS Freedom (LCS 1) and USS Independence (LCS 2) are already in service; Fort Worth (LCS 3), and Coronado (LCS 4), are expected to commission in 2012 and the assignment of names for the next four ships have been assigned: Milwaukee (LCS 5), Jackson (LCS 6), Detroit (LCS 7), and Montgomery (LCS 8). The odd hull numbers are the Lockheed Martin monohull design, with the even hull numbers being the General Dynamics/Austal trimarans design.

About PEO LCS

The PEO LCS is part of the Naval Sea Systems (NAVSEA) Command. NAVSEA is the largest of the Navy's five system commands and accounts for nearly a quarter of the Navy's entire budget. The combined force of more than 50,000 military and civilian NAVSEA personnel engineers, builds, buys and maintains the Navy's ships, submarines and combat systems.


Established in 1992 as the Program Executive Officer, Mine Warfare (PEO MIW), the PEO subsequently assumed increased responsibility for Undersea and Littoral Warfare programs and was redesignated as PEO Littoral and Mine Warfare (PEO LMW) in 2002. LMW was comprised of eight program offices. In addition to the LCS mission modules program, the portfolio included programs in support of mine warfare,

maritime systems, and expeditionary systems. These offices were responsible for the development, delivery and maintenance of over 200 programs supporting our overseas contingency operations and the transformation of military capabilities for tomorrow.

LCS is comprised of six program offices. These include programs in support of Littoral Combat Ship, Littoral Combat Ship Mission Modules, Mine Warfare, Unmanned Maritime Systems, Remote Minehunting System, and Fleet Introduction, Test & Evaluation, In-Service Support.

PEO LCS is comprised of approximately 200 civilians and military personnel supplemented by Field Activities and other personnel responsible for development, acquisition, and life-cycle support of these programs. PEO LCS Program Offices:

- » **PMS 403:** Remote Minehunting System Program Office
- » **PMS 406:** Unmanned Maritime Systems Program Office
- » **PMS 420:** LCS Mission Modules Program Office
- » **PMS 495:** Mine Warfare Program Office
- » **PMS 501:** Littoral Combat Ship Program Office
- » **PMS 505:** Fleet Introduction, Test & Evaluation, In-Service



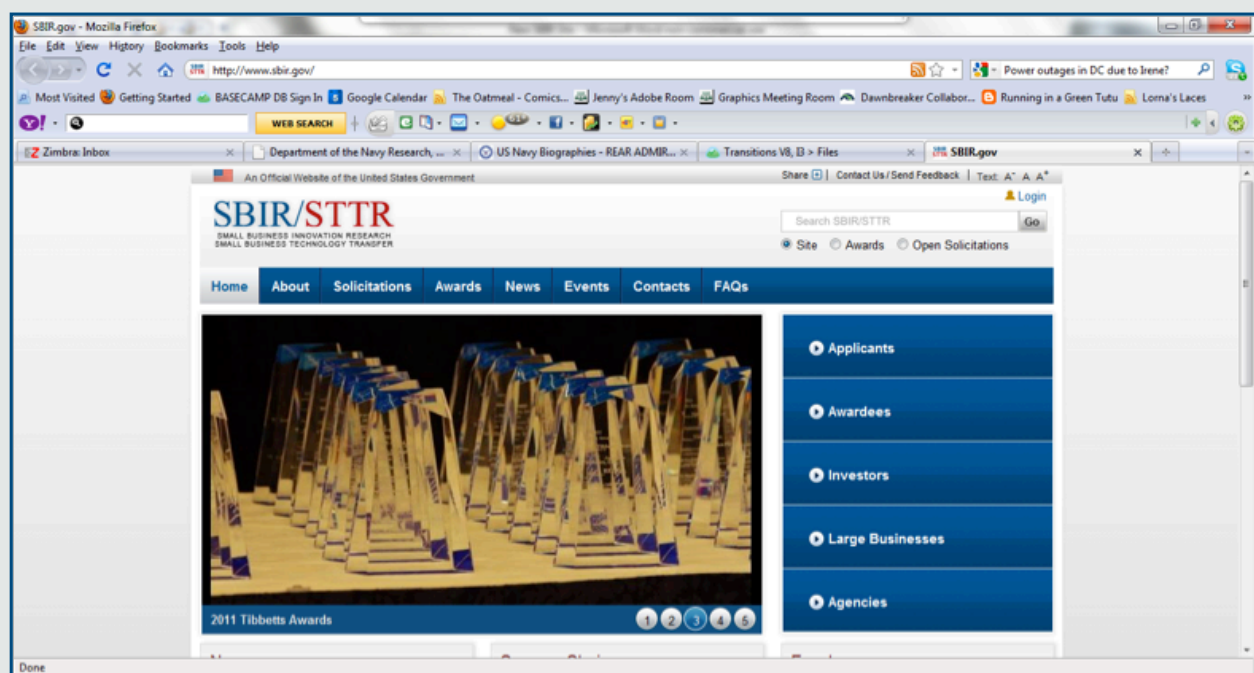
For more information on PEO LCS
visit their webpage at:

https://acquisition.navy.mil/rda/home/organizations/peos_drpm/peo_lcs
or find PEO LCS on Facebook.

New SBIR.gov Helps Small Businesses Easily Find Solicitations, Awards

The Small Business Administration (SBA) has launched its newly revamped website aimed at helping small businesses connect with federal agencies. Focused on the Small Business Innovation Research Program (SBIR) and the Small Business Technology Transfer Program (STTR), to more easily find information concerning solicitations and other funding sources, the new site is located at www.sbir.gov.

Among other enhancements, the new site features a comprehensive awards and solicitations database, a robust site search engine, user-friendly design, and useful new content. The site is geared toward helping guide small businesses that are part of or may become part of the SBIR program. Visit the new SBIR.gov for more information. Also take the time to check out the OSD Office of Small Business Programs, update of the www.dods-bir.net site coming early in the fourth quarter of 2011.



2011 Navy Opportunity Forum® Wrap-Up



Innovation and small business go hand in hand. - RADM Nevin Carr, Chief of Naval Research 2011 Navy Opportunity Forum® on June 8

Innovative technologies, potential match-ups, new opportunities and ah-ha moments were the driving force behind the 2011 Navy Opportunity Forum® attendance of nearly 1,400 representatives from small business, industry and government. Held June 6 – 8 in Crystal City, VA the Forum provides a unique venue in which Transition Assistance Program (TAP)-prepared, Navy SBIR-funded small businesses, government agencies and prime contractors are able to come together and discuss critical needs, and the technologies that can potentially address them.

The old adage that small business is the innovation engine of the country seemed to be out, even in an uncertain economic climate. Each small business gave a 15-minute presentation focusing on performance differentiators, readiness and the needs addressed by their Navy SBIR-funded technology projects. In addition to the presentations, nearly 500 Strategic Introduction (SI) meetings took place this year between the small businesses and private sector attendees, allowing for more focused interactions. More than 100 meetings between small businesses and members of the acquisition community also took place - a new offering for the year. These carefully orchestrated elements help participating small businesses achieve upwards of a 50 percent Phase III success rate within 18 months of the Forum. The aggregate amount of this near-term transition and commercialization funding ranges between \$100 million to \$220 million for each year's group of Navy Opportunity Forum presenting firms.

In addition to outstanding matchmaking opportunities, the Forum also strives to provide expert speakers and panelists who will provide insight and information that will be of use to the various event attendees. This year's keynote speakers included:

The Honorable Robert O. Work
Under Secretary of the Navy

RADM Nevin P. Carr, Jr.
Chief of Naval Research
Director, Test and Evaluation
and Technology Requirements

Mr. Seán F. Crean
Director, Office of Small Business Programs
Dept. of the Navy

Mr. Philip E. Coyle, III
Associate Director National Security
and International Affairs, Office of
Science and Technology Policy

The Honorable Claude M. Bolton, Jr.
Executive-In-Residence
Defense Acquisition University

Mr. David P. Metzger
Partner, Arnold and Porter LLP



The Navy Opportunity Forum® provides attendees with opportunities to hear from distinguished leaders from the current administration, the Department of the Navy, the acquisition community, the SBIR arena and successful small business people. This year the Forum was happy to welcome Under Secretary of the Navy Robert O. Work. (U.S. Navy photo: John F. Williams)



Rear Adm. Nevin Carr, chief of naval research, provides a look ahead at directed energy and hypersonics, autonomy, power and energy, information dominance and warfighter performance June 8. (U.S. Navy photo: John F. Williams)

These speakers each spoke to their area of expertise, offering guidance, advice and explanations, where possible and answering multiple questions. Speaker presentations, when available, can be downloaded as pdf files at www.navyopportunityforum.com/panels.php. Following are some highlights of Under Secretary Work's Forum remarks.

The Honorable Robert O. Work

The Honorable Robert O. Work, the highest ranking member of the Department of the Navy to speak at the Forum, was confirmed as the Under Secretary of the Navy in May 2009. He serves as the deputy and principal assistant to the secretary of the Navy and acts with full authority of the secretary in the day-to-day management of the Department of the Navy. A distinguished graduate of the Naval Reserve Officers Training Course at the University of Illinois who was commissioned a second lieutenant in the U.S. Marine Corps in 1974, Work served in the USMC for nearly 30 years.

After retiring from the Marine Corps, he joined the Center for Strategic and Budgetary Assessments (CSBA), first as the senior fellow for maritime affairs, and later as the vice president for strategic studies. He wrote and spoke extensively on U.S. Navy and Marine Corps strategies and programs; directed and analyzed war games for the Office of Net Assessment and Office of the Secretary of Defense; contributed to Department of Defense studies on global basing and emerging military missions; and provided support for the 2006 Quadrennial Defense Review.

The Under Secretary discussed the importance of small business innovation to the Department of the Navy and

while discussing the "immutable war-time rule" that adaptation is inherent to the clash of human wills, which defines all warfare, he underscored the fact that key breakthroughs in adaptation "more often than not, come from small teams working closely with users and customers." These small businesses create value from the bottom up, in a decentralized and evolutionary manner. He continued, "I hope this Opportunity Forum – as well as the energetic leadership of Nevin Carr, Sean Crean, as well as all those in the Office of Naval Research and Navy Small Business Office – demonstrates that the Department of the Navy believes wholeheartedly in the ability of small business to speed adaptation." (To read his entire presentation, visit: www.navyopportunityforum.com/presentations/work-presentation.pdf.)

Speaking to reporters directly following his presentation at the Forum, Under Secretary Work discussed the current economic climate, defense spending cuts and the impact on small defense-oriented firms. Of these defense cuts, he said, "It is going to be tough over the next couple of years to get this right. We're going to have many more impediments than defense planners have had in the past." He continued, "Although it is a challenging time for small business, I see a lot of opportunity."

Though he declined to provide specifics about what programs might be cut, he said that the Pentagon was working on a major effort to determine where cuts could be made. Explaining that a full Quadrennial Defense Review (QDR), the study that lays out the country's military requirements and strategies, will be conducted in 2013, regardless of the administration elected in 2012. The final decisions can really be made at that point.

Work said that the way then Defense Secretary Robert Gates had described decision making in regards to the Defense Budget was to say that, "We're going to be given a number in 2012 that is largely driven by politics. Then we're going to be given a number in '13 that is probably driven by math. And by '14 and out, it's going to be driven by strategy." He went on to say that, "Every single program is on the table. Anything I would tell you about a program would be just pure guessing."

Staying optimistic, Work went on to say that though, there will be a period of turbulence, "No matter what, we're going to have to rely on the small business community in ways we've never relied on them in the past, because we're going to have to really do things less expensively."

SAVE THE DATE

The Navy *Opportunity Forum*® 2012 will be held at the Hyatt in Crystal City from June 4 through the 6.

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