What the Navy Does to Assist and Accelerate To Phase III

John Williams
Director, Navy SBIR, STTR & T2 Programs

November 2010
Key Areas that Help

- 1% CPP 1% Funds to provide assistance to SBIR/STTR Firms
- Phase II.5 Program
- Transition Assistance Program (TAP)
- New TRIMS software tool
- PEO Involvement
- Strong SYSCOM SBIR Offices
Two main goals of Navy SBIR/STTR Program

- Use small business to develop innovative R&D that addresses a Navy need
- Commercialize (Phase III) that technology into a Navy platform or weapons system
## Navy SBIR By The Numbers

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Funding per FY</td>
<td>$274M</td>
<td>$333M**</td>
<td>$342M</td>
</tr>
<tr>
<td>Navy SBIR Topics issued that FY</td>
<td>219</td>
<td>224</td>
<td>233</td>
</tr>
<tr>
<td>Navy SBIR Topics that Address Affordability</td>
<td>75.3%</td>
<td>69.2%</td>
<td>64.4%</td>
</tr>
<tr>
<td>Navy Phase I Awards from FY Solicitations</td>
<td>555</td>
<td>597</td>
<td>273*</td>
</tr>
<tr>
<td>Navy Phase II Awards during FY</td>
<td>272</td>
<td>240</td>
<td>229*</td>
</tr>
<tr>
<td>Navy Phase III Awards during FY</td>
<td>90</td>
<td>126</td>
<td>TBD</td>
</tr>
<tr>
<td>Amount of Navy Phase III Awards that FY</td>
<td>$307M</td>
<td>$362M</td>
<td>TBD</td>
</tr>
<tr>
<td>SBIR/STTR Projects presented at Forum</td>
<td>172</td>
<td>177</td>
<td>205</td>
</tr>
<tr>
<td>Attendees at Navy Opportunity Forum</td>
<td>1,252</td>
<td>1,448</td>
<td>1,367</td>
</tr>
<tr>
<td>Avg time to award Navy Phase I contracts</td>
<td>4.5 mo</td>
<td>4.8 mo</td>
<td>4.3 mo*</td>
</tr>
<tr>
<td>Avg time w/o funding between Phase I &amp; II</td>
<td>8.2 mo</td>
<td>7.5 mo</td>
<td>8.6 mo*</td>
</tr>
</tbody>
</table>

* Awards still being made, data as of August 2010
** ONR Comptroller has reduced 09 Numbers now appear to be ~$328M
Historical Perspective
From 2006 PL 109-163 (CPP Legislation) to Present

• 2006 - CPP legislation goal “accelerate the transition of technologies, products, and services developed under SBIR to Phase III, including the acquisition process.” It allows use of 1% of SBIR funds to “manage” the “acceleration” efforts, but does not provide any special CPP funds for the Phase II awardees.

• 2007 - Navy experimented under SAT (SBIR Accelerated Transition) by providing substantially higher SBIR funding to Phase II projects, either as a mod or second phase II award.

• 2007 to 2009 - SYSCOM’s used CPP 1% to develop processes and tools to address goal of “accelerate the transition … to Phase III”

• 2010 – pulled SYSCOM processes together based and develop Navy-wide terminology and rules for accelerating from Phase II to III.
What is CPP?
What is Phase II.5?

- CPP is the 1% SBIR Program funds Service is allowed to use on “accelerating” activities with
  - In-house Navy staff to provide additional support
  - Support contracts that provide assistance to the SBIR and STTR firms

  No CPP funding goes to SBIR or STTR Firms

- Phase II.5 is SBIR or STTR Program funds, above normal < $1M funding Phase II amounts, that is provided to the SBIR and STTR firms

  Phase II.5’s require additional levels of support, due diligence, agreements and non-SBIR/STTR funding commitments
Where Did Phase II.5 Originate, How is it Funded?
September 2007 CNR Memo

- Per 7 September 2007 CNR Memo - “20% of funds for CPP “Phase II.5” T&E matching projects” to assist in continued technology development and maturation of successful Phase II projects.
- \(~80\%\) of the 2.5% Extramural R/R&D Tax will fund the normal Phase I & II process.
- \(~20\%\) of the 2.5% Extramural R/R&D Tax will be set aside to fund Phase II.5 efforts
- \(\textbf{Up to 1\%}\) of the 2.5% Extramural R/R&D Tax set aside for CPP Admin funding
# NAVY SBIR/STTR Award Structure and Phase II.5—Transition Strategies

<table>
<thead>
<tr>
<th>Activity</th>
<th>Feasibility</th>
<th>Technology Development and Prototype Demo.</th>
<th>Prototype Testing &amp; Evaluation Technology Demonstration &amp; Validation</th>
</tr>
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<tbody>
<tr>
<td>Year 1</td>
<td></td>
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<td>Year 3</td>
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<td>Year 4</td>
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<tr>
<td>Year 5</td>
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<tr>
<td>Year 6</td>
<td></td>
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</tr>
</tbody>
</table>

**SBIR FUNDS -**
- NTE $150K
- NTE $1M
- NTE $1.5M
- NTE $2.65M

**CONTRACT TYPE -**
- FFP Contract
- CPFF or FFP Contract
- CPFF or FFP Contract
- Any

**TRL -**
- 0-3
- 2-5
- 4 → 7
- 6-9

* Requires Non-SBIR Funding Commitment
How do I get Phase II.5 Funding?

• The SYSCOM SBIR PM, Technical Monitor and PEO Sponsor decide which Phase II’s receive Phase II.5 funding

• The SBIR efforts are identified in different ways at each SYSCOM but the request and start of due diligence process is internal

• How can a firm best prepare themselves for a Phase II.5?
  • Know who wants your technology in Phase III
  • What you need to overcome to get there
  • Address Risk, Funding, Competitive approaches, Partnering, Licensing, etc…
  • Plan transition early and often
SYSCOM-SPECIFIC Award Structures and Requirements
## NAVSEA SBIR Phasing Strategy

### Topic Generation & Approval
- Ph I
- Opt

### Phasing & Duration
- **Funding & Duration**
  - **Phase**
  - Ph I: $80K 6 mo.
  - Opt: $70K 6 mo.
  - Ph II: $750K 24 mo.
  - Opt: $250K 6 mo.

### Requirements
- **Successful Ph I proposal to approved topic**
- **Successful Ph I**
  - Positive Ph II Decision
  - Exercise Ph I Opt
  - PM Transition Memo
  - Program interest
  - Potential funding
  - Ph II Requirements
  - Exercise Ph II Option
  - Moving to Ph III, CD, AT, or Enhancement

### Phase II.5
- **Continuing Dev (CD)**
  - TTA
  - ≤ $750K SBIR, no match
  - ≤ 24 mo. w/ planned trans funds
  - Initial Ph III docs (e.g.; RFP, TI)
  - ≤ $1.5M SBIR with concurrent 1:1 Navy program match at start
  - ≤ 24 mo.

### AT (formerly CPP)
- **Enhancement**
  - ≤ $625K SBIR with 1:1 Navy program match
  - ≤ 12 mo.

### Non-SBIR Funds
- Direct Contract
- Subcontract to Prime

### TRL
- **Contract**
  - 1 - 3
  - Ph II.5 4-7, Ph III 4-8

### Funding & Duration
- **CPFF Contract**
  - Match on Ph III encouraged for CPP

### Match on Ph III encouraged for CPP
- Any

### NAVSEA SBIR Sponsors and TPOC nominate projects for AT and CD
- SBC may apply for Enhancement via DoD proposal submission site

### NAVSEA SBIR Phasing Strategy Diagram
- Phase: Ph I, Opt, Ph II, Opt
- Funding & Duration: $80K 6 mo., $70K 6 mo., $750K 24 mo., $250K 6 mo.

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**Notes:**
- Funding and duration are approximate and subject to change based on project needs and funding availability.
- Successful Ph I proposal requires a positive Ph II decision, program interest, potential funding, and Ph II requirements.
- Ph II Option may lead to continued development (CD), AT (formerly CPP), or enhancement.
- AT (formerly CPP) requires initial Ph III documentation, ≤ $1.5M SBIR with concurrent 1:1 Navy program match, and ≤ 24 mo.
- Enhancement requires ≤ $625K SBIR with 1:1 Navy program match and ≤ 12 mo.
- Direct Contract or Subcontract to Prime is available for Ph II.5 and beyond.
- NAVSEA SBIR Sponsors and TPOC nominate projects for AT and CD.

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**SBIR Phasing Strategy Summary:**
## NAVSEA Phase II.5 Funding & Documentation Requirements

<table>
<thead>
<tr>
<th>Phase II.5 Strategy</th>
<th>Phase II.5 Duration</th>
<th>Phase II.5 SBIR Max</th>
<th>DoD Non-SBIR Funding Reqmnts</th>
<th>Documentation Reqmnts</th>
<th>Exit TRL</th>
<th>Approval By</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option</strong></td>
<td>≤6 mo.</td>
<td>$250K</td>
<td>None</td>
<td>Unsigned TTA for CD, Ph III Initial Contracting Docs (e.g. RFP, TI) for AT or Ph III, or Enhancement application</td>
<td>Any</td>
<td>NAVSEA SBIR CPM</td>
</tr>
<tr>
<td><strong>Enhancement</strong></td>
<td>≤12 mo.</td>
<td>$625K</td>
<td>1:1 Concurrent SBIR &amp; Navy program funds to SBC (matching funds available at contract modification)</td>
<td>Enhancement application</td>
<td>Any</td>
<td>NAVSEA SBIR CPM</td>
</tr>
<tr>
<td><strong>Continuing Development (CD)</strong></td>
<td>≤24 mo.</td>
<td>$750K</td>
<td>None</td>
<td>TTA signed by TPOC, target Navy transition program, Navy program providing transition funds, PEO Sponsor, &amp; NAVSEA SBIR CPM before end of option. TTA must show planned transition funds. TTA updated with change in cost, schedule, participants, transition, or insufficient risk retirement.</td>
<td>~5-6</td>
<td>NAVSEA SBIR CPM</td>
</tr>
<tr>
<td><strong>Accelerated Transition (AT)</strong></td>
<td>≤24 mo.</td>
<td>$1.5M</td>
<td>Concurrent 1:1 SBIR to Navy program match at time of Ph II contract modification</td>
<td>Initial Ph III contracting documents (e.g.; RFP, TI) at time of Ph II contract modification</td>
<td>&gt; 6</td>
<td>NAVSEA SBIR CPM</td>
</tr>
</tbody>
</table>

All SBIR Phase II.5 funds go on original Phase II or on a 2nd Phase II contract

For SBIR Investment >$2.5M (Phase II + II.5)

- Navy Director approval and 1:1 concurrent funds to SBC required
- NAVSEA’s Ph II awards in excess of $2.5M shall be ≤10% of NAVSEA Phase II projects
- Non-SBIR funds should be applied to a Ph III
- TTA Updated & re-signed annually per signature requirements above
ONR
### ONR SBIR Award Structure

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1 6 mo.</td>
<td>Option 6 mo.</td>
<td>Phase 2 ~18 mo.</td>
<td>Option 9 mo.</td>
<td>≤ $500K</td>
<td>≤ $250K</td>
</tr>
<tr>
<td>$80K</td>
<td>$70K</td>
<td>TTP Required</td>
<td>TTP Required (signed by TPOC)</td>
<td>Enhanced* ~ 12 mo.</td>
<td>≤ $500K SBIR</td>
</tr>
<tr>
<td>≤ $500K</td>
<td></td>
<td></td>
<td></td>
<td>updated/signed TTP Required</td>
<td>signed TTA Required</td>
</tr>
<tr>
<td>Phase III</td>
<td>Non-SBIR $</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>SBIR FUNDS</td>
<td>NTE $2.4M</td>
<td>NTE $1.5M</td>
<td>NTE $750 K</td>
<td>NTE $70K</td>
<td>NTE $50K</td>
</tr>
<tr>
<td>FFP Contract</td>
<td>CPFF Contract</td>
<td>CPFF Contract</td>
<td>CPFF Contract</td>
<td>Any Contract</td>
<td></td>
</tr>
<tr>
<td>0-3</td>
<td>2-5</td>
<td>4 → 7</td>
<td>6-9</td>
<td>TRL</td>
<td></td>
</tr>
<tr>
<td>Phase II.5 Strategy</td>
<td>Phase II.5 Duration</td>
<td>Phase II.5 SBIR Funding Maximum</td>
<td>DoD Non-SBIR Funding Requirements</td>
<td>Total Phase II + II.5 SBIR Maximum</td>
<td>TTA Requirements</td>
</tr>
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</tr>
<tr>
<td>Phase II Option</td>
<td>~ 9 mo.</td>
<td>$250K</td>
<td>None</td>
<td>$750K</td>
<td>TTP (Updated and Signed by TPOC)</td>
</tr>
<tr>
<td>Enhancement</td>
<td>~ 12 mo.</td>
<td>$500K</td>
<td>1 SBIR $ :1 Non-SBIR $*</td>
<td>$1.5M</td>
<td>TTP (Updated and Signed by TPOC)</td>
</tr>
<tr>
<td>CD (Continuing Development)</td>
<td>~ 12 mo.</td>
<td>$500K</td>
<td>None Required</td>
<td>$1.25M</td>
<td>TTA (Signed by transition sponsor and ONR TPOC; must include a future funding line)</td>
</tr>
<tr>
<td>AT (Accelerated Transition)</td>
<td>≤ 24 mo.</td>
<td>$1.5M</td>
<td>1 SBIR $ : 1 Non-SBIR $ *</td>
<td>$2.25M</td>
<td>TTA (Signed by transition sponsor and ONR TPOC)</td>
</tr>
</tbody>
</table>

* Matching Funds Accepted for 1 SBIR $ : 1 Non-SBIR $: Navy Program Dollars (excluding D&I or Congressional)

** Matching Funds Accepted (1 SBIR $ : 2 Non-SBIR $): All other funds outside Navy Program Dollars (including D&I and Congressional)
NAVAIR
NAVAIR SBIR Award Structure
effective FY11

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>Feasibility</th>
<th>Technology Development and Prototype Demo.</th>
<th>Prototype Testing &amp; Evaluation Technology Demonstration &amp; Validation</th>
</tr>
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<tr>
<td>Year 1</td>
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<td>Year 3</td>
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<td>Year 4</td>
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<td></td>
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<tr>
<td>Year 5</td>
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<td></td>
</tr>
<tr>
<td>Year 6</td>
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</tbody>
</table>

**SBIR FUNDS -**

<table>
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<tr>
<th>NTE $150K</th>
<th>NTE $1M</th>
<th>NTE $1.5M</th>
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</thead>
<tbody>
<tr>
<td>FFP</td>
<td>Typically CPFF</td>
<td>CPFF or FFP</td>
</tr>
</tbody>
</table>

**CONTRACT TYPE -**

<table>
<thead>
<tr>
<th>FFP</th>
<th>Typically CPFF</th>
<th>CPFF or FFP</th>
</tr>
</thead>
</table>

**TRL -**

<table>
<thead>
<tr>
<th>~0-3</th>
<th>~2-5</th>
<th>~4-7</th>
<th>~6-9</th>
</tr>
</thead>
</table>

**Phase I**
- 6 mo.
- $80k
- Option 6 mo.
- $70k
- Phase I Option is invoked when draft Phase II proposal is received
- Base ≤ $750K
- Total with option ≤ $1M
- Total POP ~24 mo.

**Phase II**
- variable

**Phase II Option**
- 12 – 18 mo.
- ≤ $750k SBIR
- Cont. Dev.
- 12 – 18 mo.
- ≤ $750k SBIR
- AT
- 12 – 24 mo.
- ≤ $1.5M SBIR
- TTA Required
- TTA Required

**Phase III**
- variable

**Enhancement**
- *Requires 1:1 PMA Funding Commitment
- 12 – 18 mo.
- ≤ $1.5M SBIR
- TTA Required

**Non-SBIR $**

- variable

*Requires 1:1 PMA Funding Commitment

<sup>*</sup> Requires 1:1 PMA Funding Commitment

<sup>TTP</sup> Required

<sup>TTA</sup> Required
<table>
<thead>
<tr>
<th>Phase II.5 Strategy</th>
<th>Phase II.5 Duration</th>
<th>Phase II.5 SBIR Funding Maximum</th>
<th>NAVAIR Non-SBIR Funding Requirements</th>
<th>TTA Requirements</th>
<th>Exit TRL</th>
<th>Approval By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancement</td>
<td>Typically 12 to 18 mo.</td>
<td>$750K</td>
<td>1:1 Concurrent SBIR &amp; NAVAIR program funds to SBC (matching funds available at contract modification)</td>
<td>None</td>
<td>Any</td>
<td>NAVAIR SBIR PM must verify &amp; approve non-SBIR DOD match ratio and funding source</td>
</tr>
<tr>
<td>Continued Development (CD)</td>
<td>Typically 12 to 18 mo.</td>
<td>$750K</td>
<td>NAVAIR Acquisition Program funds or prime investment desired but not required</td>
<td>Technology Transition Plan (TTP) developed by TPOC and PMA, TTP endorsed by PMA, PEO SBIR Technology Manager, and CTO</td>
<td>Typically ~5-6</td>
<td>SYSCOM SBIR PM or DPM</td>
</tr>
<tr>
<td>Accelerated Transition (AT)</td>
<td>≤24 mo.</td>
<td>$1.5M</td>
<td>Transition funding must be detailed in TTA</td>
<td>Technology Transition Agreement (TTA) developed by TPOC and PMA, TTA approved by PMA and PEO SBIR Technology Manager, Phase III out year funds identified in TTA</td>
<td>&gt; 6</td>
<td>SYSCOM SBIR PM or DPM</td>
</tr>
</tbody>
</table>

All SBIR Phase II.5 funds go on original Phase II or on a 2nd Phase II contract

For SBIR Investment >$2.5M (Phase II + II.5):
- Navy Director approval and 1:1 concurrent funds to SBC required
- # NAVAIR SBIR Phase II awards in excess of $2.5M will be ≤10% of NAVAIR SBIR Phase II projects
- Non-SBIR funds should be applied to a Ph III
- TTA reviewed annually
SPAWAR
SPAWAR SBIR Phasing Strategy

<table>
<thead>
<tr>
<th>Topic Generation &amp; Approval</th>
<th>Concept Development &amp; Feasibility</th>
<th>Technology Development</th>
<th>Technology Demonstration, Validation, Test, Evaluation &amp; Systems Integration</th>
<th>SPAWAR Use</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PH</strong></td>
<td><strong>PH I</strong></td>
<td><strong>PH II</strong></td>
<td><strong>Phase II.5</strong> Continued Development (CD)</td>
<td><strong>PH III - Transition</strong></td>
</tr>
<tr>
<td><strong>Funding &amp; Duration</strong></td>
<td>$80K 6 mo.</td>
<td>$70K 3 mo.</td>
<td>$750K 18-24 mo.</td>
<td><strong>AT</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$250K 6 mo.</td>
<td>$250K-$750K ~18-24 mo.</td>
<td><strong>• Direct Contract</strong></td>
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<td><strong>• Subcontract to Prime</strong></td>
</tr>
</tbody>
</table>

**Requirements**
- Ph I proposal nominated for award.

**Post Phase II**
- **Continued Development (CD)**
  - ≤18 mo.
  - Max $750K SBIR funding
  - Signed TTP
- **Accelerated Transition (AT)**
  - ≤24 mo.
  - 1:1 Match SBIR to Non-SBIR; 1:2 Match if CD transitioning to AT

**TRL**
- **Contract**
  - 1 - 3
  - FFP Contract
  - CPFF Contract
  - Modification to existing Ph II
- **8 - 9**
  - Any
## SPAWAR SBIR Phasing Strategy

<table>
<thead>
<tr>
<th>Phase II.5 Strategy</th>
<th>Phase II.5 Duration</th>
<th>Phase II.5 SBIR Funding Maximum</th>
<th>Total Phase II + II.5 SBIR Funding Maximum</th>
<th>DoD Non-SBIR Funding Requirements</th>
<th>Documentation Required (in addition to PR Package Requirements)</th>
<th>Approval By</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continued Development (CD)</strong></td>
<td>≤18 mo.</td>
<td>$750K</td>
<td>$1.75M</td>
<td>None</td>
<td>TTP signed by: TPOC, PEO SBIR TD, Navy Program that will be Providing Transition Funds, SPAWAR SBIR PM</td>
<td>PEO SBIR TM/TD, SPAWAR SBIR PM</td>
</tr>
<tr>
<td><strong>Accelerated Transition (AT)</strong></td>
<td>≤24 mo.</td>
<td>$1.5M</td>
<td>$2.5M</td>
<td>1:1 Match of SBIR to Non-SBIR Funds; 1:2 Match if CD transitioning to AT</td>
<td>None</td>
<td>TPOC, PEO TM/TD, SPAWAR SBIR PM</td>
</tr>
</tbody>
</table>

*All SBIR Phase II.5 funds go on original Phase II or on a 2nd Phase II contract*

### New Definitions
- **Phase II.5**: Any Phase II in which the total Phase II investment, for a specific topic to an SBC, exceeds $1M
- **Matching Funds**: Any concurrent non-SBIR funds from the government put on the Phase II contract

### Notes
- Per solicitation guidelines: Phase II base cannot exceed $750K and option cannot exceed $250K
- Phase II option requires PEO TM approval and Phase II Option Request Form
- Any contracting action request sent to SBIR PO prior to 19 JAN 11 is exempt from new documentation requirements and limits
- Maximum non-SBIR funds on a Phase II.5 is $1.5M
MARCOR SBIR Phasing Strategy

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<tr>
<td>PH I</td>
<td>OPTION</td>
<td>PH II</td>
<td>OPTION</td>
<td>Phase II.5</td>
</tr>
<tr>
<td>Funding &amp; Duration</td>
<td>$80K</td>
<td>$70K</td>
<td>$750K</td>
<td>$250K</td>
</tr>
<tr>
<td>6 mo.</td>
<td>6 mo.</td>
<td>18-24 mo.</td>
<td>6 mo.</td>
<td></td>
</tr>
</tbody>
</table>

**Requirement**

- Ph I proposal nominated for award.
- Successful Ph I
- Invited to submit a Phase II proposal
- Exercise Ph II Option

**Phase II Enhancement**

- Up to $500K available with negotiated matching funding
- < 18 mo.

**Continued Development (CD)**

- < 2 years
- Maximum of $1.5M of SBIR funds with negotiated matching funds

**Non-SBIR Funds**

- Direct Contract
- Subcontract to Prime

**TRL**

- Contract 1 - 3
- FFP Contract 2 - 6
- CPFF Contract Ph II.5 4-7
- CPFF Contract Ph III 4-8
- Modification to existing Ph II Ph III 8 - 9
- Any
## MARCOR SBIR Post Phase II Funding & Documentation Requirements

<table>
<thead>
<tr>
<th>Program Option</th>
<th>Duration</th>
<th>SBIR Max</th>
<th>DoD Non-SBIR Funding Requirements</th>
<th>Documentation Requirement</th>
<th>Exit TRL</th>
<th>Approval By</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option</strong></td>
<td>≤6 mo.</td>
<td>$250K</td>
<td>None</td>
<td>TTA</td>
<td>Any</td>
<td>PEO-LS or PGD, IPM, SBIR PM</td>
</tr>
<tr>
<td><strong>Enhancement</strong></td>
<td>≤18 mo.</td>
<td>$500K</td>
<td>Up to $500K SBIR funding with negotiated matching funds</td>
<td>TTA</td>
<td>Any</td>
<td>PEO-LS or PGD, IPM, SBIR PM</td>
</tr>
<tr>
<td><strong>Continued Development (CD)</strong></td>
<td>≤24 mo.</td>
<td>$1.5M</td>
<td>Up to $1.5M SBIR funding with negotiated matching funds</td>
<td>TTA</td>
<td>~5-6</td>
<td>PEO-LS or PGD, IPM, SBIR PM</td>
</tr>
</tbody>
</table>

*All SBIR Phase II.5 funds go on original Phase II or on a 2nd Phase II contract*
STTR
NAVY (non NAVAIR) STTR Award Structure and Phase II.5—Transition Strategies

**ACTIVITY**

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Feasibility</strong></td>
<td><strong>Technology Development and Prototype Demo.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase 1 7 mo.</td>
<td>Option 5 mo.</td>
<td>Phase 2 18 mo.</td>
<td>Option 1 9 mo.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$80k</td>
<td>$70k</td>
<td>Base $500K</td>
<td>$250K</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**STTR FUNDS**

- NTE $150K
- NTE $1M
- NTE $1.125M
- NTE $2.275M

**CONTRACT TYPE**

- FFP Contract
- CPFF or FFP Contract
- CPFF or FFP Contract
- Any

**TRL**

- 0-3
- 2-5
- 6-9

**Prototype Testing & Evaluation Technology Demonstration & Validation**

- TTA Required (All)
- CD (Continued Development 18 mo.)
- Built into Phase II Contract
- $≤ 750K (50% STTR)
- $≤ 1.50M (50% STTR)
- New Contract
- AT (Accelerated Transition)* ≤ 2 yr.
- Non-STTR $ variable

* Requires Non-STTR Funding Commitment
## NAVY (non-NAVAIR) STTR Award Structure and Phase II.5—Transition Strategies

<table>
<thead>
<tr>
<th>Phase II.5 Strategy</th>
<th>Phase II.5 Duration</th>
<th>Phase II.5 STTR Funding Maximum</th>
<th>DoD Non-STTR Funding Requirements</th>
<th>TTA Requirements</th>
<th>Exit TRL</th>
<th>Approval By</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option</strong></td>
<td>~9 mo.</td>
<td>$250K</td>
<td>None</td>
<td>TTP Required</td>
<td></td>
<td>Commitment from PEO, Transition Target, or SYSCOM PM</td>
</tr>
<tr>
<td><strong>Continuing Development (CD)</strong></td>
<td>~18 mo.</td>
<td>$750K (50% STTR)</td>
<td>Built into contract. 50% Non-STTR funding share required.</td>
<td>TTA signed by PM or R&amp;D lead and matching funds source. Approved by STTR PM.</td>
<td>~4-6</td>
<td>SYSCOM STTR PM</td>
</tr>
<tr>
<td><strong>Accelerated Transition (AT)</strong></td>
<td>≤24 mo.</td>
<td>$1.5M (50% STTR)</td>
<td>New contract. 50% Non-STTR funding share required.</td>
<td>TTA signed by PM or R&amp;D lead and Matching Funds Source. Approved by CTO or PEO and SYSCOM SBIR PM &amp; STTR PM. Phase III out year funds identified in TTA. TTA in PM Database</td>
<td>≥ 6</td>
<td>SYSCOM STTR PM</td>
</tr>
</tbody>
</table>

- Cases where >$2.5M SBIR Investment (Phase II + II.5) require Navy Director approval, and 1:1 concurrent funds to SBC. No more than 10% of SYSCOMs Phase II funding can be used on $2.5M plus awards. Non-SBIR funds should be applied to a phase III. TTA Updated & re-signed annually by non-SBIR funding source and SYSCOM SBIR Office.
## NAVAIR STTR Award Structure

Effective FY11

<table>
<thead>
<tr>
<th>ACTIVITY -</th>
<th>Feasibility</th>
<th>Technology Development and Prototype Demo.</th>
<th>Prototype Testing &amp; Evaluation Technology Demonstration &amp; Validation</th>
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<tr>
<td></td>
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<tr>
<th>Year 1</th>
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<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I</td>
<td>Option</td>
<td>Phase II</td>
<td>Option</td>
<td>Phase III</td>
<td></td>
</tr>
<tr>
<td>7 mo.</td>
<td>6 mo.</td>
<td>variable</td>
<td>variable</td>
<td>variable</td>
<td></td>
</tr>
</tbody>
</table>

### Phase I
- **7 mo.**
- Base: \(\leq 500k\) STTR
- Total with option: \(\leq 1M\) STTR

### Phase II
- **Variable**
- Technology Development and Prototype Demo.
- Total POP: \(\sim 24\) mo.
- Phase II Option requires PMA endorsement
- Option: \(\sim 6\) mo.

### Phase III
- **Variable**
- Enhancement:
  - 12 – 18 mo.
  - \(\leq 500k\) STTR

#### Phase III Options
- **Accelerated Transition (AT)**
  - 12 – 24 mo.
  - \(\leq 500k\) STTR
  - Total CD+AT: \(\leq 1M\) STTR

- **Cont. Dev.**
  - 12 – 18 mo.
  - \(\leq 500k\) STTR
  - Total POP: \(\sim 24\) mo.

- **Option**
  - \(\sim 6\) mo.

- **TTA Required**
- **TTP Required**
- **TTA Required**
- **TTA Required**

### STTR FUNDS
- **NTE $150K**
- **NTE $1M**
- **NTE $2.15M**

### CONTRACT TYPE
- **FFP**
- **Typically CPFF**
- **CPFF or FFP Contract**
- **Any**

### TRL
- **~0-3**
- **~2-5**
- **~4-7**
- **~6-9**

*Requires 1:1 PMA Funding Commitment