

SBIR and STTR Phase III Guidebook : Quick Reference Guide (QRG) For Program Managers, Contracting Officers and Small Business Professionals



What is SBIR/STTR Phase III?

The SBIR/STTR Phase III is also known as, the “Commercialization Phase” and the ultimate goal of the SBIR/STTR program. The work in this phase, derives from, extends, or completes an effort made under prior SBIR funding agreements, but is funded by sources other than SBIR/STTR. Phase III funding can come from the government or industry. The purpose is to transition a company’s SBIR/STTR effort into hardware or software products, processes or services that benefit the DON acquisition community.

What Program Managers (PMs) Need To Know

1. For contracts at or above \$100M PMs will have to...
 - a) Set a goal for the transition of Phase III technologies in subcontracting plans and report the number and dollar amount of Phase III SBIR/STTR contracts entered into.
 - b) Develop a detailed plan for the use of SBIR/STTR technologies with associated planned funding which will be provided at each milestone.
 - c) Apply incentive fees to support increased SBIR/STTR participation.
2. DON will have to submit information annually to the Secretary of Defense regarding its plans to integrate the SBIR/STTR technologies in contracts above \$100M.
3. The choices of finding potential SBIR/STTR solutions are:
 - a) In the SBIR/STTR topics proposed in most DON ACAT I, II and III programs in response to program needs.
 - b) In utilizing www.navysbirsearch.com
4. Helpful forms and templates used to track SBIR/STTR projects and project performance:
 - a) Technology Roadmap
 - b) Quad Chart Template
5. Helpful ways to increase support of SBIR/STTR Phase III integration within your department:
 - a) Develop a Program Executive Officer (PEO) Operating Instruction manual
 - b) Utilize SBIR/STTR Transition Managers
 - c) Prepare a “Phase III package” for KOs and SBPs to review if a SBIR/STTR technology requires further development and testing in anticipation of a Phase III contract.

Benefits

- SBIR/STTR technologies are innovative, cost-effective solutions that promote competition for program technology needs at component and system levels addressing Key Performance Parameters (KPPs) and Key System Attributes (KSAs).
- SBIR/STTR policy supports government-only use of Intellectual Property (IP) owned by SBIR/STTR awardee, with rights reverting to government after a number of years specified in the contract.

SBIR/STTR PHASE III GUIDEBOOK References

- SBIR/STTR Used by Program Managers - pg 16 – 24
- #1 - Section IV.1.1 pg 17
- #1.c – Section IV.1.3
- #2 – Section IV.1.4 pg 17
- #3 – Section IV.3.2 pg 20
- #4 – Section IV.3.4
- #4.a – Section IV.3.4 pg 22
- #4.b – Section IV.3.4 pg 23
- #5 – Section IV.4 pg 24
- Benefits – Section IV.2

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Helpful Links

www.secnav.navy.mil/smallbusiness
<http://donosbp.navy.mil.dodlive.mil>
www.facebook.com/NAVYOSBP
<http://www.navysbir.com/>



What Contracting Officers (KOs/CORs) and Small Business Professionals Need To Know

1. SBIR/STTR Reauthorization Act
 - a) Requires DOD and prime contractors to issue Phase III awards to appropriate SBIR/STTR awardees "to the greatest extent practicable".
 - b) Phase III commercialization shall go toward production and delivery of products or services for sale to or use by Federal agencies.
 - c) Phase III data is required to be reported annually.
 - d) Requires DOD to use or create incentives to meet the goal of increasing the number of Phase III awards.
2. KOs/CORs can support the SBIR/STTR utilization and integration process by having fiscal data available for PMs so they may fulfill annual reporting requirements to the Secretary of Defense.
3. KOs/CORs should support PMs, PEOs and CAEs when responding to the requirement to apply incentives in contracts over \$100M to meet goals in transitioning SBIR/STTR technology plans.
4. Consider 5 things when responding to Phase III requirements:
 - a) Ensure explicit SBIR/STTR requirements are levied upon competitive and sole source contracts to the extent permitted by the SBIR/STTR Reauthorization Act or other legal authority. Make sure Acquisition Plans (APs) and Single Acquisition Plans (SAMPs) are inclusive of SBIR contracts.
 - b) Ask if there are SBIR/STTR technologies that can satisfy this requirement – either as a prime or a sub to a prime.
 - c) Develop a method to count the number and value of SBIR/STTR Phase III or agree that the PEO or acquisition office will do so.
 - d) KOs/CORs and Small Business Professionals should coordinate to ensure allocated goals are satisfied.
 - e) Ensure that any SBIR/STTR related clauses inserted into a contract are up to date and accurate
5. Per the memo of the ASN(RDA)' on 12 Jan 2015 entitled "Tapping Into Small Business in a Big Way", "SBIR/STTR Phase III sole source awards are an authorized exception to competition and Contracts Officers are encouraged to employ this exception where such action meets a program's requirements".

Do you have questions?

Please check out the FAQs section of the SBIR/STTR guidebook. The Guidebook can be found at <http://www.secnav.navy.mil/smallbusiness/Pages/sbir-sttr.aspx>.

For additional information, please contact...

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SBIR/STTR PHASE III GUIDEBOOK References

- SBIR/STTR Used by Contracting Officers and Small Business Professionals - pg 25 - 30
- #1 – Section V.1.1 pg 26
- #2 – Section V.1.2 pg 26
- #3 – Section V.1.3 pg 26
- #4 – Section V.2 pg 26
- FAQs – pg 10 -13

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