



Missile Defense Agency: Phase II Transition Program

Small Business Innovation Research (SBIR) Program
Small Business Technology Transfer (STTR) Program

Frequently Asked Questions

(Please read this section BEFORE contacting the Program Management Office)

1. What are the eligibility requirements?

You must have an open, active DoD SBIR or STTR Phase II contract. MDA will accept applications from SBIR and STTR contractors with other agencies, however – applicant must be able to identify the relevant BMDS technology for transition and acquire relevant supporting documents (advocacy letters) to be eligible for consideration.

2. I have an STTR Phase II contract, may I apply?

Yes, at this time, we will accept applications from those firms with active STTR Phase II contracts.

3. I just completed Phase I and I was recently selected for a Phase II. I am still waiting for my Phase II contract award, may I apply?

No, at time of application submission, you must have an open, active DoD SBIR or STTR Phase II contract. Further, it is important that your Phase II effort be at or approaching a Technology Readiness Level of either 5 or 6.

4. The DoD Checklist on the submission site is different than the MDA Checklist – what do I do?

You **must** follow the MDA submission instructions and template for technical upload. **Failure to follow these instructions or** meet the stated conditions in their entirety, within the time frames indicated, will generally disqualify a company from participation in the current MDA SBIR/STTR Phase II Transition Program process, and **may result in automatic rejection of your application.** The MDA checklist may be found on page 6 of our instructions.

5. How will I know if my application has been accepted or if I have been selected for the Transition Program?

The MDA SBIR Program Management Office (PMO) will send out “confirmation receipt” notifications within one week of the close of the application deadline. Approximately 2 weeks after the close of the application deadline, firms will receive notification regarding “qualification for assessment” – if you do not qualify, the reason will be stated in the letter. Please do not contact the PMO regarding status (unless you have not received confirmation receipt within a week). All notifications are sent via e-mail from sbirsttr@mda.mil, please ensure your spam filters are set to allow messages from this address.

6. I submitted an application in the previous “round.” May I re-submit my application?

Yes, however – you must submit new coversheets for your application package. MDA will not re-open your old application, nor can you ask DoD to open your old application to re-submit. Please also review the submission instructions as requested information and required format may have changed since your last submission.

7. If I am selected for the Transition Program, will my contract modification be handled through the original agency or through MDA?

At this time, if selected for **the Transition Program**, –contract modifications will be handled by the original agency that negotiated the Phase II contract.

8. What qualifies as investment?

The investor must be an "outside investor," which may include such entities as another company, a venture capital firm, an individual "angel" investor, a non-SBIR/non-STTR government program, or any combination of the above. It does not include the owners of the small business, their family members, and/or "affiliates" of the small business, as defined in Title 13 of the Code of Federal Regulations (C.F.R.), Section 121.103. As discussed in that Section:

- i. Concerns are affiliates of each other when one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both.
- ii. [We] consider factors such as ownership, management, previous relationships with or ties to another concern, and contractual relationships, in determining whether affiliation exists.
- iii. Individuals or firms that have identical or substantially identical business or economic interests, such as family members, persons with common investments, or firms that are economically dependent through contractual or other relationships, may be treated as one party with such interests aggregated.
- iv. Although DoD is guided by this definition of affiliation in the Code of Federal Regulations, we also exercise our own discretion in determining whether a particular entity qualifies as an "outside investor."

The investment must be an arrangement in which the outside party provides cash to the small company in return for such items as: equity; a share of royalties; rights in the technology; a percentage of profit; an advance purchase order for products resulting from the technology; or any combination of the above. The investor's funds must pay for activities that further the development and/or commercialization of the company's SBIR technology (e.g., further R&D, manufacturing, marketing, etc.).

Please visit <http://www.acq.osd.mil/osbp/sbir/fasttrack/index.htm> for additional information.

9. I have money that has already been used/obligated but is non-SBIR/STTR. May I still apply?

Yes.

10. I have multiple Phase II contracts and wish to apply for a Phase II Transition Program – what should I do?

You need to submit an application package for each Phase II contract you are seeking Phase II Transition Program funding. So, if you have three (3) Phase IIs and you have a suggested approach for all three via the Phase II Transition Program, you must submit three separate application packages (and either identify a unique investor for each, or if the investor is the same – there must be enough matching funding to “cover” all applications submitted).

11. To whom do I address my investor letter / advocacy letter?

It may be addressed to: Dr. Douglas Deason
Director, SBIR/STTR Programs
Attn: 1C1702D
Bldg. 5222, Martin Road
Redstone Arsenal, AL 35898

12. How do I obtain an advocacy letter – is there a template for these?

Firms are highly advised to work with their technical monitors early in the process in order to secure an advocacy letter from the identified program and personnel in the appropriate time-frame. The PMO will NOT accept late letters and your application will be considered incomplete if the letter is not submitted online, per the instructions.

There is not a standard template for the advocacy letter. However, the official may address the following points: Why the technology is relevant/important; probability of success/transition into the BMDS; has the required exit criteria been adequately addressed; have the costs been identified and planned for to meet the required transition.

13. Per the application instructions, I have requested an advocacy letter to include in our application, but the individual who oversees contracting has expressed the concerns that (1) it is not clear from the instructions who it is that should write such an advocacy letter, and (2) whether it is proper, in this context, for certain individuals to take a position which could be construed as favoring a particular contractor. She would like to have some clarification on the intent of this instruction from an appropriate government person.

The goal of the MDA Phase II Transition Program is to encourage transition of SBIR- and STTR-developed technology into Ballistic Missile Defense Systems (BMDS). In fact, the non-SBIR/STTR funded portion is considered a Phase III. Question 5 of the transition plan asks the applicant: "What is the Acquisition Program Manager's/procuring organization's commitment to transition?"

The request for an advocacy letter should be seen as a way for the SBIR/STTR PMO to identify which technology has been identified as having a "chance" of being inserted or transitioned into a BMDS. The Phase II Transition Program is an open process, open to any Phase II contractor that is able to secure "outside" funding and meet the stated requirements.

All applications are required to have a letter from the relevant acquisition program manager(s)/procuring organization(s) articulating their pull for this technology and commitment to insert the technology in their acquisition/sustainment program in order to be considered for funding. Therefore, it is not improper for the relevant acquisition program office to write the advocacy letter. In fact, failure to submit the letter will result in non-assessment of the application.

You should work with your Technical Monitor to ensure you are approaching the appropriate personnel.

14. My "investor" is the MDA acquisition program – can I submit one letter instead of two?

Yes – however, if the one letter does not meet the requirements of two separate letters, your application may be disqualified. The Investor Letter should address the following:

- i. The amount the investor will provide (how much the investor is committing).
- ii. That the investment is being made in response to the company's Phase II R&D effort (the purpose of the commitment).

15. I am waiting for my advocacy / outside investor letter, may I submit a "place holder?"

Unfortunately, incomplete applications will not be considered - even if they include a letter stating that letters are "in-process." If the application does not include both an advocacy letter and the letter from the investor (or a combined letter where appropriate), it will not be considered for funding.

16. Must there be only one non-SBIR/STTR investment source? Could we collect several sponsors willing to collaborate?

Yes, there can be several sources of non-SBIR/STTR investment on one Phase II Transition application. The DoD Cover Sheet only allows you to submit the name of one investor on your cover sheet. Please place another sheet BEFORE “Section A” of the technical upload that says “Additional Investors” and follow the format below (for each additional investor – you may place them on the same sheet). This will not count against the page limit.

Please note – on your cover sheet, in the section - “Proposed DoD SBIR/STTR Funds for Phase II Enhancement” - be sure to enter the TOTAL amount of SBIR funds you are seeking should you be selected for funding under the MDA SBIR/STTR Phase II Transition Program. In the section - “Amount of Matching Funds (Cash) the Investor will Provide” - ONLY mark the amount that the outside investor listed on the cover sheet is providing.

Additional Outside Investor

Name of Outside Investor:

Mail Address:

City:

State:

Zip:

If private sector investor, Taxpayer Identification Number:

Amount of Matching Funds (Cash) the Investor will provide: \$

Outside Investor Official

Name:

Title:

Phone:

Ext:

Email:

17. Can we mix DoD Acquisition program and external investments?

Yes. Please note that non-government funding must meet the DoD investor guidance found at: <http://www.acq.osd.mil/osbp/sbir/track/index.htm>

18. If multiple sponsors are allowed, need they be simultaneous or could they be sequential?

All matching investor funds have to be “certified” / available for obligation by the time MDA SBIR or STTR Transition funds are placed on contract.

19. What rights do the external investors accrue? Do regular SBIR rights in data still apply?

Non-SBIR/STTR, Government-funded investments result in an SBIR/STTR Phase III and the SBIR/STTR data rights clause (DFARS 252.227-7018) applies. The rights of private investors will depend upon the terms of the agreement with the SBIR/STTR contractor; however, the Government is entitled to SBIR/STTR Data Rights in technical data or computer software generated and delivered under the SBIR/STTR contract.

20. Can a firm submit an application and have the investor funds obligated in anticipation of being selected for the Transition Program?

Your “investor” is welcome to “obligate” funds during the application and assessment process. However, the Phase II contract MUST be open in order to execute a Transition modification. At this time, MDA is only accepting applications during the application periods. If you require additional clarification (or need additional guidance), please feel free to contact the MDA SBIR/STTR PMO at sbirstr@mda.mil. Obligation of “investor” dollars before selections are made DOES NOT guarantee selection of your application for the MDA SBIR/STTR Transition Program.

21. Is the program widely competitive, or, if an MDA Acquisition Program is willing to commit funds, would the decision be based solely on that Program's decision relative to its priorities rather than a competition among all potential Phase II Transition Program applicants?

It is a competitive process across MDA based upon the priorities of the BMDS, the ability of the SBIR or STTR Phase II contractor to transition the technology and availability of funds. Additional information regarding MDA's application procedure is available here: <http://www.mdasbir.com>

22. What are the allowable subcontractor labor dollars for an SBIR Phase II Transition Program selection?

The following excerpt from the DoD Solicitation front matter addresses this question (available at <http://www.acq.osd.mil/osbp/sbir/solicitations/sbir093/preface093.htm>):

1.3 Proposer Eligibility and Limitations **(SBIR ONLY)**

...For Phase II, a minimum of one-half of the research and/or analytical work must be performed by the proposing firm. The percent of work is usually measured by both direct and indirect costs, although proposers planning to subcontract a significant fraction of their work should verify how it will be measured with their DoD contracting officer during contract negotiations. For both Phase I and II, the primary employment of the principal investigator must be with the small business firm at the time of the 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. Primary employment with a small business concern precludes full-time employment at another organization. For both Phase I and Phase II, all research or research and development work must be performed by the small business concern and its subcontractors in the United States. Deviations from the requirements in this paragraph must be approved in writing by the contracting officer (during contract negotiations).... (Italics added for emphasis.)

A Phase II Transition is implemented as a modification to an existing Phase II contract. It is technically not a distinct "allocation" on the contract but part of the overall contract award amount. If you are planning to subcontract a significant portion of the Phase II Transition with SBIR dollars, you should verify how it will be measured with the contracting officer on your Phase II contract.

23. What are the allowable subcontractor labor dollars for an STTR Phase II Transition Program selection?

The following excerpt from the DoD Solicitation front matter addresses this question (available at <http://www.acq.osd.mil/osbp/sbir/solicitations/sttr09B/preface09B.htm>):

...a minimum of 40% of each STTR project must be carried out by the small business concern and a minimum of 30% of the effort performed by the research institution, as defined in Section 2.4. The percentage of work is usually measured by both direct and indirect costs, although proposers planning to subcontract a significant fraction of their work should verify how it will be measured with their DoD contracting officer during contract negotiations. The principal investigator must be primarily employed with the small business firm or the research institution. At the time of award of a Phase I or Phase II contract, the small business concern must have at least one employee in a management position whose primary employment is with the small business and who is not also employed by the research institution. Primary employment means that more than one half (50%) of the employee's time is spent with the small business. Primary employment with a small business concern precludes full-time employment at another organization. For both Phase I and Phase II, all research or research and development work must be performed by the small business concern and its subcontractors in the United States. Deviations from the requirements in this paragraph must be approved in writing by the contracting officer (during contract negotiations). (Italics added for emphasis.)

24. Our outside funding is coming from another DoD Program. We have discussed "MIPR-ing" the money to MDA on to our current Phase II contract instead of creating a new, separate contract for

the non SBIR/STTR DoD funds. It's really one integrated program with no separate deliverables to the other program. From our company's standpoint we would be getting the full funding from MDA. That being said, we feel it would make more sense for our firm to propose a single SOW and Cost Proposal for the total Transition Program funds. Please let us know if this is a viable approach.

You may submit one statement of work (SOW) and one cost proposal for both portions of funding. You should note this by inserting a clarifying statement as a preface to the SOW and cost proposal to eliminate confusion during the assessment of your application. Submission of one SOW and cost proposal is only permissible under the circumstance described in the question, whereby the following conditions are met:

- i. Investor is a DoD or Government Program and will be sending funds via MIPR to be directly obligated on to the existing MDA Phase II contract.
- ii. No separate deliverables.

25. My government official has funds that they're planning to place on an existing contract as matching funds for a Transition Program. They need to know some critical information about how to credit the money to the Transition Program effort.

If the Phase II contractor is selected for the Transition Program and the outside investor is a non-SBIR/STTR Government program, the outside investor must provide a line of accounting for the cost share within the 45 days (of selection notification) that can be accessed immediately.

26. I have completed my submission and the system is asking me for a TPOC – what do I enter?

Please enter the information for your government Technical Monitor (the same information from “Section A” of the technical proposal upload.)

27. I have questions that I don't feel are addressed above, what do I do?

You may submit them to sbirsttr@mda.mil.