**DEPARTMENT OF THE NAVY (DON) SBIR/STTR**

**INITIAL PHASE II PROPOSAL**

**Instructions and Proposal Template**

(effective November 15, 2023)

The Department of the Navy’s (DON) Phase II process begins with preparation and submission of an Initial Phase II Proposal. All Phase I awardees may submit an Initial Phase II proposal for evaluation and selection. The evaluation criteria for Phase II is the same as Phase I. The Phase I Final Report, Initial Phase II Proposal, and Transition Outbrief (as applicable) will be used to evaluate the proposer’s potential to progress to a workable prototype in Phase II and transition technology to Phase III. Details on the due date, content, and submission requirements of the Initial Phase II Proposal will be provided by the awarding SYSCOM either in the Phase I contract or by subsequent notification. The purpose of the Initial Phase II Proposal is to provide a concise summary of the applicant’s objectives, work plan, related research, key personnel, transition plan, and estimated costs sufficient to allow selection for Phase II participation. Applicants must submit an Initial Phase II Proposal to be considered for selection to submit a Full Phase II Proposal.

This document provides information required for an applicant to complete an Initial Phase II Proposal. These instructions and template apply to all DON Systems Commands (SYSCOMs).

This document has two sections: the **Instructions** provide information required to prepare and submit the Initial Phase II Proposal; and the **Proposal Template** is the format model the applicant shall use to prepare its proposal.

Do not include the **Instructions** or the bracketed [ ] guidance in the **Proposal Template** with the proposal.

**Instructions**

A. During development of an Initial Phase II Proposal, communication between the Government Technical Point of Contact (TPOC) and the applicant should be limited to performance of the Phase I contract and transition planning of the Phase I technology, not guidance regarding the development of a successful proposal.

B. The Initial Phase II Proposal shall include the following sections and their associated sub-sections not to exceed (NTE) the noted page lengths:

|  |  |
| --- | --- |
| **Section Name** | **Not to Exceed Page Length** |
| Proposal: | NTE a total of ten (10) pages |
| Title Page | NTE one (1) page |
| 1. Description of Proposed Phase II Technical Effort 2. Resumes for Key Personnel |  |
| Attachments: | Not included in ten (10) page count |
| 3. Letters of Endorsement (Optional) | Unlimited |

C. Paper/Font size. The proposal shall be prepared on 8 ½ x 11 inch page with 1-inch margins (including header and footer) and be written in single column format with a font size no smaller than 10-point. A font size smaller than 10-point is allowable for headers, footers, imbedded tables, figures, images, or graphics that include text. However, proposers are cautioned that if the text is too small to be legible it will not be evaluated.

D. Header. Each page of the proposal and each attachment must have a header that includes the following information:

Applicant Name: <Applicant’s Name>

Phase I Contract Number: <Contract Number of the Phase I Award>

Topic Number: <topic number of the Phase I project>

E. File Format. The proposal and attachments shall be uploaded as a single PDF file.

F. Non-Disclosure. Applicants that include data in their proposals that they do not want disclosed to the public for any purpose, or used by the Government except for evaluation purposes, shall:

(1) Mark the first page of the proposal with the following legend:

"This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed-in whole or in part-for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this applicant as a result of, or in connection with, the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in pages <insert numbers or other identification of sheets>"; and

(2) Mark each sheet of restricted data with the following legend:

"Use or disclosure of data contained on this page is subject to the restriction on the first page of this proposal."

The DON assumes no liability for disclosure or use of unmarked data and may use or disclose such data for any purpose.

Restrictive notices notwithstanding, proposals and final reports submitted through the DON electronic submission website may be handled, for administrative purposes only, by support contractors. All support contractors are bound by appropriate non-disclosure agreements.

G. The Initial Phase II Proposal is required to have at least a Base period of performance (POP) but may also include separately priced Options. NTE Base and Option POPs and Costs are defined by each SYSCOM. Guidelines for each SYSCOM are provided in Table 1 (SBIR) and Table 2 (STTR).

**Table 1. SBIR Base and Option POP and Cost Guidelines by SYSCOM**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **SYSTEMS COMMAND (SYSCOM)** | **Base** | | **Option One**  (if proposed) | | **Option Two**  (if proposed) | | **Total**  **(NTE)** |
| **Cost**  **(NTE)** | **POP**  **(NTE)** | **Cost**  **(NTE)** | **POP**  **(NTE)** | **Cost**  **(NTE)** | **POP**  **(NTE)** |
| Naval Air Systems Command (NAVAIR) | $1,000,000 | 30 mos. | $300,000 | 12 mos. | -- | -- | $1,300,000 |
| Naval Sea Systems Command (NAVSEA) | $700,000 | 12 mos. | $700,000 | 12 mos. | $600,000 | 12 mos. | $2,000,000 |
| Office of Naval Research (ONR) | $1,000,000 | 24 mos. | $1,000,0001 | 24 mos. | -- | -- | $2,000,000 |
| Naval Information Warfare Systems Command  (NAVWAR) | $750,000 | 18 mos. | $500,000 | 12 mos. | $500,0002 | 12 mos. | $1,750,000 |
| Marine Corps Systems Command (MCSC) | $1,000,000 | 24 mos. | $500,000 | 12 mos. | -- | -- | $1,500,000 |
| Naval Supply Command  (NAVSUP) | $750,000 | 24 mos. | $250,000 | 12 mos. | *--* | -- | $1,000,000 |
| Naval Facilities Engineering Command (NAVFAC) | $600,000 | 12 mos. | $600,000 | 12 mos. | -- | -- | $1,200,000 |
| Strategic Systems Programs  (SSP) | $900,000 | 18 mos. | $300,000 | 6 mos. | -- | -- | $1,200,000 |

1Applicants should propose an Option NTE $1,000,000. Cost matching (1:1) with non-SBIR/STTR funding for the Option will be identified prior to end of Base period; SBIR Option contribution shall not exceed $500,000 and total SBIR contribution for the award shall not exceed $1.5M.

2Applicants should propose an Option NTE $500,000. Cost matching (1:1) with non-SBIR/STTR funding for the Option will be identified prior to end of Base period; SBIR Option contribution shall not exceed $250,000 and total SBIR contribution for the award shall not exceed $1.5M.

**Table 2. STTR Base and Option POP and Cost Guidelines by SYSCOM**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **SYSCOM** | **Base** | | **Option One**  (if proposed) | | **Option Two**  (if proposed) | | **Total**  **(NTE)** |
| **Cost**  **(NTE)** | **POP**  **(NTE)** | **Cost**  **(NTE)** | **POP**  **(NTE)** | **Cost**  **(NTE)** | **POP**  **(NTE)** |
| NAVAIR | $1,000,000 | 30 mos. | $300,000 | 12 mos. | -- | -- | $1,300,000 |
| NAVSEA | $700,000 | 12 mos. | $700,000 | 12 mos. | $600,000 | 12 mos. | $2,000,000 |
| ONR | $1,000,000 | 24 mos. | $1,000,0003 | 24 mos. | -- | -- | $2,000,000 |
| NAVWAR | $750,000 | 18 mos. | $500,000 | 12 mos. | $500,0004 | 12 mos. | $1,750,000 |
| MCSC | $1,000,000 | 24 mos. | $500,000 | 12 mos. | -- | -- | $1,500,000 |
| All Other SYSCOMs | $500,000 | 18 mos. | $250,000 | 9 mos. | $750,000 | 18 mos. | $1,500,000 |

3Applicants should propose an Option NTE $1,000,000. Cost matching (1:1) with non-SBIR/STTR funding for the Option will be identified prior to end of Base period; STTR Option contribution shall not exceed $500,000 and total STTR contribution for the award shall not exceed $1.5M.

4Applicants should propose an Option NTE $500,000. Cost matching (1:1) with non-SBIR/STTR funding for the Option will be identified prior to end of Base period; STTR Option contribution shall not exceed $250,000 and total STTR contribution for the award shall not exceed $1.5M.

H. Contents. Complete required proposal-specific information in all areas marked with angled brackets < > in the template; then remove the angled brackets. When appropriate, specific references may be made to the Phase I Final Report. Reference to documents other than the Phase I Final Report will not be considered.

I. Submission.

(1) Initial Phase II Proposal documents must be submitted in accordance with the requirements and timelines/deadlines listed in the applicant’s Phase I contract.

(2) The Initial Phase II Proposal is submitted through the Navy SBIR/STTR Firm Portal: <https://www.navysbirprogram.com/navydeliverables/>.

The submission process requires the applicants to upload required Initial Phase II Proposal documents as “Contract Deliverables”. Each document requires a Deliverable Type, Title, Description and File. The minimum documents required for Initial Phase II Proposal evaluation are:

|  |  |
| --- | --- |
| **Document** | **Deliverable Type\*** |
| Applicant’s Initial Phase II Proposal | Initial Phase II Proposal |
| Applicant’s Phase I Final Report | Final Report - Distribution B |

**Note:**

\*Failure to select the appropriate deliverable type may result in rejection of your Initial Phase II Proposal and/or Final report.

Do not include the above **Instructions** with the proposal. Use the following **Proposal Template** to complete the Initial Phase II Proposal but do not include the bracketed [ ] guidance provided in each section.

[**Proposal Template**]

**[Title Page – NTE 1 page]**

[The Initial Phase II Proposal shall have a Title Page that includes the following information in the format shown:]

**<Applicant Name>**

<Address 1>

<Address 2>

<City, State, and Zip>

<Phone>, <Email>

**Corporate Official:**

<Prefix><Name>

<Title>

<Phone>, <Email>

**Prepared Date:** <Proposal Preparation Date>

**Topic Title:** <Phase I Topic Title>

**Contract Information:**

Topic #: <Phase I Topic #>

Proposed Period of Performance: <Base plus Options (if proposed) (months)>

Estimated Base Value: <$Base>

Option 1 Value (if proposed): <$Option 1>

Option 2 Value (if proposed): <$Option 2>

**Principal Investigator (PI):**

<Prefix><Name>

<Phone>, <Email>

**Proposed Subcontractors/Consultants:** <Name of Proposed Subcontractors/Consultants**>**

**SYSCOM:** <Name ofSYSCOM for this proposal>

**DON Phase I Technical Point of Contact:**

<Prefix><Name>

<Phone>, <Email>

**Nondisclosure Statement:** [See Instructions, F, and edit nondisclosure statement below.]

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed-in whole or in part-for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this applicant as a result of, or in connection with, the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in pages <insert numbers or other identification of sheets>.

**[Proposed Phase II Technical Effort]**

**1.0 Description of Proposed Phase II Technical Effort**

[Address the following sections in this proposal, paying particular attention to the description of the proposed Phase II work plan.]

**1.1 Phase II Technical Objectives**

[Enumerate the specific objectives of the proposed Phase II work. Explain how these objectives are designed to solve the research problem addressed in the topic and represent advancement over the work completed in Phase I. Clearly distinguish between the objectives of the Phase II Base period and those of any Phase II Option(s).]

**1.2 Phase II Work Plan**

[Include a proposed statement of work (SOW) that clearly describes proposed tasks and deliverables for the Base period and any Option(s). This section should constitute the majority of the technical proposal.

The proposed SOW should describe, in chronological order, major tasks to be performed. Each task description should include: an explanation of the work to be performed; the expected product of the task (report, hardware, etc.); the roles (if any) of subcontractors and/or consultants; and the use of materials, software, special equipment, special tooling, etc. in the performance of the task.

Technical milestones should be scheduled to provide the government insight into expected progress and to consider the exercise of any negotiated options.]

**1.3 Related Work**

[Describe significant activities (including any conducted by the Principal Investigator (PI), the applicant, consultants, and others) that demonstrate the applicant’s awareness of state-of-the-art and relevant concurrent efforts. Describe how these activities relate to the proposed effort.]

**1.4 Key Personnel**

[Use the table below to identify the Principal Investigator (PI), co-Principal Investigators (Co-PI), and any other key personnel, including direct employees, subcontractors or consultants, who will be involved in the Phase II effort. For any Foreign Nationals, please specify the country of origin, the type of visa or work permit under which they are performing and an explanation of the anticipated level of involvement on this project. During contract negotiations, additional information may be requested in order to verify Foreign National’s eligibility to participate on an SBIR/STTR contract. Supplemental information provided in response to this paragraph will be protected in accordance with the Privacy Act (5 U.S.C. §552a), if applicable, and the Freedom of Information Act (5 U.S.C. §552(b)(6)).]

|  |  |  |  |
| --- | --- | --- | --- |
| **KEY PERSONNEL SUMMARY** | | | |
| **Name** | **Role/Title** | **Foreign National**  **(Y/N)** | **Prime, Subcontractor or Consultant** |
| *[Example: John Smith]* | *[Example: Principal Investigator]* | *[Example: N]* | *[Example: Prime]* |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

[For all personnel marked as “Yes” in Foreign National column above, please also complete the following chart, Foreign National Details.]

|  |  |  |
| --- | --- | --- |
| **FOREIGN NATIONAL DETAILS\*** | | |
| **Name** | **Country of Origin** | **Type of Visa or Work Permit** |
| *[Example: Jane Smith]* | *[Example: Spain]* | *[Example: Permanent Resident]* |
|  |  |  |
|  |  |  |

[\*RESTRICTION ON PERFORMANCE BY FOREIGN NATIONALS (i.e., those holding non-U.S. Passports): If the topic for the Phase II work is “ITAR Restricted”, the information and materials provided pursuant to or resulting from this topic are restricted under the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 - 130, which controls the export of defense-related material and services, including the export of sensitive technical data. Foreign Nationals may perform work under an award resulting from this topic only if they hold a “Permanent Resident Card”, or are designated as “Protected Individuals” as defined by 8 U.S.C. 1324b(a)(3). If a proposal for an ITAR restricted topic contains participation by a Foreign National who is not in one of the above two categories, the proposal may be rejected.]

**1.5 Subcontractors/Consultants**

[List all subcontractors and consultants, the task(s) they will be performing, and their qualifications to perform the task(s).]

|  |  |  |
| --- | --- | --- |
| **Subcontractor/Consultant Name** | **Task** | **Qualifications** |
|  |  |  |
|  |  |  |
|  |  |  |

**1.6 Commercialization/Transition Plan Summary**

[Briefly describe the proposed business strategy for commercializing/transitioning from Phase II through final development and into acquisition, as well as the product or service expected to result from a Phase III effort.

Identify the market/customer and the possible transition paths for the technology as well as the commercialization strategy. Questions to consider in your plan should include:

* Who is the anticipated customer, such as DON/DoD/private industry, for this project? Provide specific platforms, programs, or markets and include points of contact, if available.
* What are the defined requirements being addressed?
* What approach is currently used to address this requirement and what benefit does your technology provide?
* What types of tests may be performed to demonstrate the technology and its ability to be integrated for use on platforms, or in programs or commercial applications?
* What approach will be used to transition the technology developed in Phase II to production and to the market? How does the applicant plan to manufacture (if applicable) and distribute the product?

The commercialization/transition plan should be updated as Phase II work progresses and will be reviewed by the appropriate Subject Matter Experts and SBIR Program Managers as a factor in continuing Base efforts and exercising Option(s).]

**1.7 Order of Magnitude Cost Estimate**

[Complete the table below as a cost estimate for the Phase II work plan; include proposed cost for the Base period and Options(s) (if any). Total estimated cost plus fee/profit shall not exceed the Phase II funding limits provided in the Instructions, paragraph G.

Estimate the following:

1. *Direct Labor - Prime.*  Total estimated cost (including fringe and overhead) proposed for the Prime.
2. *Subcontractors/Consultants.* List each subcontractor/consultant by name and provide the total estimated cost for each subcontractor/consultant proposed.
3. *Material.* Total estimated cost proposed for raw materials or components.
4. *Equipment.* Total estimated cost proposed for equipment.
5. *Material Handling.* If applicable, provide material handling rate(s) and the total estimated cost proposed. Add a footnote to the table and identify the material handling application base (e.g., Material Handling is applied to material and equipment).
6. *Travel and Other Direct Costs.* Total estimated cost proposed for travel (i.e., airfares, car rental and per diem) and other direct costs (ODC) for all activities to complete the contract requirements.
7. *Subtotal.* Subtotal of direct labor-prime (a), subcontractors/consultants (b), material (c), equipment (d), material handling (e), and travel and ODCs (f).
8. *General & Administrative (G&A).* If applicable, provide G&A rate(s) and the total estimated cost proposed. Add a footnote to the table and identify the G&A application base (e.g., G&A is applied to direct labor, subcontractor/consultants, and travel/ODC).
9. *Facility Capital Cost of Money (FCCM).* If applicable, provide FCCM total estimated cost proposed (see FAR 31.205-10). Add a footnote to the table and provide FCCM calculation details.
10. *Total Estimated Cost*. Sum of subtotal (g), G&A (h), and FCCM (i).
11. *Fixed Fee/Profit.* If applicable, include the proposed fixed fee/profit rate along with the total estimated cost proposed.
12. *Total Cost Plus Fixed Fee/Profit*. Sum of total estimated cost (j) and fixed fee/profit (k).
13. *Discretionary Technical and Business Assistance (TABA)*. The SBIR and STTR Policy Directive section 9(b) allows the DON to provide TABA (formerly referred to as DTA) to its awardees. The purpose of TABA is to assist awardees in making better technical decisions on SBIR/STTR projects; solving technical problems that arise during SBIR/STTR projects; minimizing technical risks associated with SBIR/STTR projects; and commercializing the SBIR/STTR product or process, including intellectual property protections. Firms may request, to contract these services themselves through one or more TABA providers in an amount not to exceed the values specified below. Proposers have the option to request TABA funding in an amount NTE $25,000 per Phase II award to a maximum of $50,000 per project (initial, sequential, II.5, and/or CRP combined) to contract external services to assist in minimizing technical risks associated with SBIR/STTR projects and commercializing the resulting products and/or processes. The amount requested for TABA is included as part of the total allowable award amount (e.g. $1.6M=$1.575M project + $25K TABA). Request for TABA funding will be reviewed by the DON SBIR/STTR Program Office. Firms receiving TABA will be required to submit a TABA report with their final report to the DON Deliverables website http://www.navysbirprogram.com/navydeliverables/.

In the Initial Phase II proposal, proposers need to indicate the total value of TABA they wish to propose. If selected to submit a full Phase II proposal, then requests for TABA must be explained in detail and the following items will be required within the cost estimate and in Volume 5 of the submission. If the TABA request does not include the following items the TABA request will be denied.

* TABA provider(s) (firm name)
* TABA provider(s) point of contact, email address, and phone number
* An explanation of why the TABA provider(s) is uniquely qualified to provide the service
* Tasks the TABA provider(s) will perform (to include the purpose and objective of the assistance)
* Total TABA provider(s) cost, number of hours, and labor rates (average/blended rate is acceptable)

TABA must NOT:

* Be subject to any profit or fee by the SBIR proposer
* Propose a TABA provider that is the SBIR proposer
* Propose a TABA provider that is an affiliate of the SBIR proposer
* Propose a TABA provider that is an investor of the SBIR proposer

Propose a TABA provider that is a subcontractor or consultant of the requesting firm otherwise required as part of the paid portion of the research effort (e.g., research partner, consultant, tester, or administrative service provider)

If a proposer requests and is awarded TABA in a Phase II contract, the proposer will be eliminated from participating in the DON SBIR/STTR Transition Program (STP), the DON Forum for SBIR/STTR Transition (FST), and any other Phase II assistance the DON provides directly to awardees.

All Phase II awardees not receiving funds for TABA in their awards must participate in the virtual DON STP Kickoff during the first or second year of the Phase II contract. While there are no travel costs associated with this virtual event, Phase II awardees should budget time of up to a full day to participate. STP information can be obtained at: https://navystp.com. Phase II awardees will be contacted separately regarding this program.

Failure to include details of the TABA request in Volume 5 of the full Phase II proposal will result in disapproval of the request.]

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Line Item – Details** | **Rate** | **Estimated Base Cost** | **Estimated Option One Cost** | **Estimated Option Two Cost** | **Total Estimated Cost**  **(Base + Option(s))** |
| Direct Labor – Prime (a) |  | $0.00 | $0.00 | $0.00 | $0.00 |
| Subcontractors/Consultants (b) |  | $0.00 | $0.00 | $0.00 | $0.00 |
| Material (c) |  | $0.00 | $0.00 | $0.00 | $0.00 |
| Equipment (d) |  | $0.00 | $0.00 | $0.00 | $0.00 |
| Material Handling (e) | 0.00% | $0.00 | $0.00 | $0.00 | $0.00 |
| Travel & ODCs (f) |  | $0.00 | $0.00 | $0.00 | $0.00 |
| **Subtotal (g)** |  | $0.00 | $0.00 | $0.00 | $0.00 |
| G&A (h) | 0.00% | $0.00 | $0.00 | $0.00 | $0.00 |
| FCCM (i) |  | $0.00 | $0.00 | $0.00 | $0.00 |
| **Total Estimated Costs (j)** |  | $0.00 | $0.00 | $0.00 | $0.00 |
| Fixed Fee/Profit (k) | 0.00% | $0.00 | $0.00 | $0.00 | $0.00 |
| Total Cost plus  Fixed Fee/Profit (l) |  | $0.00 | $0.00 | $0.00 | $0.00 |
| *Technical and Business Assistance (TABA) (m)* |  | *$0.00* | *$0.00* | *$0.00* | *$0.00* |

**2.0 Resumes for Key Personnel (Required)**

[Provide a resume containing the five areas of information (below) for each PI and key personnel on the project (up to 4 total). Resumes are limited to one page each in the following format.]

[Complete the following to address the qualifications of up to a total of four (4) key personnel]

Name: <First and Last Name>

Role/Title: <Role/Title for the Phase II Effort>

Education:

<School, Degree, Year>

Relevant Experience:

<A concise description of the investigator’s relevant technical experience and its application to this topic>

Relevant Awards:

<List any awards received for work related to this topic>

Relevant Publications:

<List any publications relevant to this topic>

**3.0 Attachments - Letters of Support (Optional)**

[Letters of support provide validation of interest by others. If available, attach letters of support that discuss the direct benefit of the technology and/or the intent to provide additional funding under follow-on awards. These attachments will NOT be included in the page count.]

[Reminder: Do not include the **Instructions** with the proposal. Before submission, remove all bracketed [ ] guidance from the template; and complete all the required text within angled brackets < > (then remove the angled brackets).]