

APTAC Body of Knowledge Competency Guide

D. Specialized Knowledge

D.1 SBIR and STTR

Description

Background: The Small Business Innovation Research (SBIR) program and the Small Business Technology Transfer (STTR) programs are small business set-asides mandated by Congress beginning in 1982 to increase opportunities for small businesses to (1) meet federal research and development needs (2) increase employment (3) foster participation by socially and economically disadvantaged firms (4) increase private sector commercialization of innovations derived from federal research and development. The SBIR/STTR programs are undergoing reauthorization in the spring of 2011.

There are eleven federal agencies that participate in the SBIR program and five federal agencies that make awards under the STTR program. The SBIR/STTR programs are overseen by the Office of Technology at the Small Business Administration but the SBA does not make any direct awards to companies.

Federal agencies with extramural research and development budgets over \$100 million are required to administer SBIR programs using an annual set-aside of 2.5% for small businesses. Currently, the following federal agencies participate in the SBIR program: Department of Agriculture, Department of Commerce, Department of Defense, Department of Education, Department of Energy, Department of Health and Human Services, Department of Transportation, Environmental Protection Agency, National Aeronautics and Space Administration National Science Foundation and Department of Homeland Security.

The STTR is a parallel program to the SBIR program and was created by Congress when it reauthorized SBIR in 1992. Federal agencies with extramural R&D budgets over \$1 billion are required to have STTR programs using an annual set-aside of 0.30%. Currently, five Federal agencies participate in the STTR program: DOD, DOE, DHHS, NASA and NSF. The unique feature of the STTR program is that it requires the small business to have a cooperative research partnership with a non-profit research institution in order to participate.

Eligibility Requirements for Small Business:

- Must be organized as for profit business
- Less than 500 employees including all affiliates
- Independently owned and operated primarily in the United States
- 51% owned and controlled by US citizen(s) or permanent resident
- Research must be performed in the US

Program details: The SBIR/STTR programs have three stages or phases. The objective of Phase I is to determine the scientific, technical, and commercial merit and feasibility of the proposed R & D effort. Successful results and completion of Phase I objectives is a pre-requisite for consideration for a Phase II award. Phase II helps to bring the innovation to the point of

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commercialization. Federal agencies may award Phase III contracts for products or services with non-SBIR/STTR funds. The competition for SBIR/STTR Phase I and Phase II awards satisfies any competition requirement of the Armed Services Procurement Act, the Federal Property and Administrative Services Act, and the Competition in Contracting Act. Therefore, an agency that wishes to fund a Phase III project is not required to conduct another competition in order to satisfy those statutory provisions.

Comparison of SBIR and STTR Programs:

Phase I- feasibility- 6 month time period

- SBIR: Minimum 2/3 of the effort must be performed by small business. Maximum of 1/3 of effort may be performed by subcontractors
- STTR: Minimum of 40% of the effort must be performed by small business. Minimum of 30% of the effort must be performed by a non-profit research institution.

Phase II- prototype and development leading to commercialization, 2 year time period

- SBIR: Minimum of 50% of the effort must be performed by SB. Maximum of 50% of the effort may be performed by subcontractor
- STTR: Same as in STTR phase I

Phase III-non SBIR/STTR funding-Commercialization

- SBIR: Agency can award contract without further competition
- STTR: Agency can award a contract without further competition

Research Institution/University requirement

- SBIR: May be involved in SBIR
- STTR: Must have non-profit research institution involved

Number of Agencies Participating

- SBIR: 11
- STTR: 5

Principal Investigator Requirements

- SBIR: Must be employed by small business more than 50% of time during award
- STTR: May be employed with either small business or research institution (This varies with agency)

Performance Site

- SBIR: Funds must be used entirely in US; part of research must take place in company –controlled research space
- STTR: Funds must be used entirely in US; part of research must take place at SB and part at non-profit research institution

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Grant awarding agencies

- SBIR: USDA, DOE, NSF and most HHH (NIH) and ED
- STTR: NSF and NIH, DOE

Contract awarding agencies

- SBIR: DOD, NASA, DOT, DOC, DHS, and some HHH (NIH) and ED
- STTR: DOD, NASA

Posting and Search Sites:

Agencies will post the solicitations on FedBizOpps or Grants.gov under Research or Category A. Various bid matching systems will pick these solicitations up for PTAC clients. However, a user friendly way to search for current and past SBIR/STTR topics when helping clients is to use the independent website <http://www.zyn.com/sbir>. For just DOD topic searches a good site is (www.dodsbir.net/) and the Navy's SBIR/STTR Awards Search (www.navysbirsearch.com) which includes Navy and also DOD component Phase II awards. Other federal agency SBIR sites have their own topic searches. For technology transfer related sites DODTechmatch <http://www.dodtechmatch.com/DOD/INDEX.ASP> and the Federal lab site <http://www.federallabs.org/> are very useful.

How do the SBIR/STTR programs relate to government contracting? The SBIR/STTR programs offer technology innovative companies to solve important public problems. With DOD, NASA and DHS awards this may facilitate the small business to work with large federal prime contractors during the award and may lead to subsequent subcontractor opportunities. It may also lead the small business to a Phase III direct prime contract award from an agency since the agency has already met the obligations for competition in Phases I and II. The SBIR/STTR programs allow the small business to get in on the ground floor when requirements for the technology are being formed.

References

SBA SBIR information: <http://archive.sba.gov/aboutsba/sbaprograms/sbir/index.html>

Official Government Site: <http://www.sbir.gov/>

General Resources & topic Searches: <http://www.zyn.com/sbir>

DOD SBIR/STTR: <http://www.acq.osd.mil/osbp/sbir/>

NIH SBIR/STTR: <http://grants.nih.gov/grants/funding/sbir.htm>

SBIR/STTR Alerting Service (free):

<http://www.pnl.gov/edo/opportunities/sbir/archive/sbir20100122.pdf>