

OSD Transitions SBIR Technology (OTST) Program

*“Transitioning SBIR Technology to the Warfighter”
Phase II Development to Phase III Transition/Integration*

Program Overview for Defense Acquisition University (DAU) Webinar



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SBIR / CRP Background

Small Business Innovation Research (SBIR) Program

Established by Congress in 1982 to strengthen the role of innovative small business concerns (SBCs) in Federally-funded research or research and development (R/R&D).

Objectives:

- (1) Stimulate technological innovation;
- (2) Use small business to meet Federal R/R&D needs;
- (3) Foster and encourage participation by socially and economically disadvantaged SBCs in working in technological innovation; and
- (4) Increase private sector commercialization of innovations derived from Federal R/R&D, thereby increasing competition, productivity and economic growth.

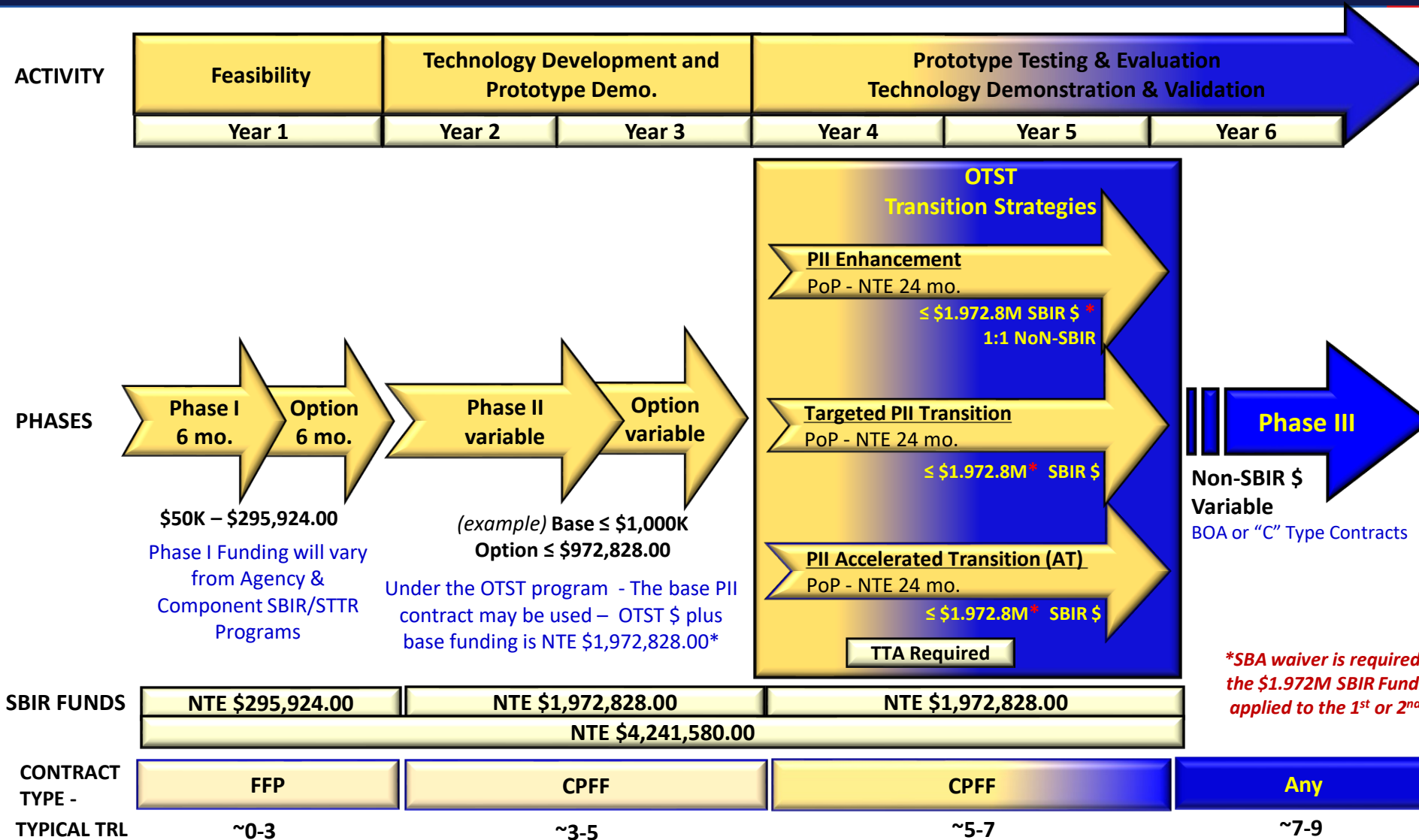
Commercialization Pilot Program (CPP)

Established by Congress in 2006 to accelerate the transition of technologies, products, and services developed under SBIR to Phase III, including the acquisition process.

- *Made permanent in 2012 and renamed the Commercialization Readiness Program (CRP).*
- *Dynamic, results-oriented response to the Congressional challenge to the Department of Defense in 2006 to deliver more advanced technologies - faster - to our warfighters.*



OUSD (R&E) SBIR/STTR Award Structure



**SBA waiver is required to exceed the \$1.972M SBIR Funding that is applied to the 1st or 2nd PII effort*



OTST Program – Objectives

- Provide the Sponsoring Programs with the right tools to select the best OTST project.
- Assist Sponsoring Programs in identifying SBIR Phase II Technologies that have a high potential of transition.
- Encourage the Sponsoring Programs to Data Mine (Reach Back) for SBIR Technologies to Transition.
 - Help bridge the valley of death.
- Align resources to better support DoD's Modernization Goals.
 - Establish a proactive and predictive approach to the development of mission critical technologies.
- Accelerate SBIR technology incorporation and transition into Programs of Record through shared SBIR and Program investment.
 - Provide investment strategies to mature and transition the technologies.
 - Accelerate transitions to Phase III for acquisition programs.



OTST – Program “What's”

What are the eligibility requirements?

A Funding Sponsor must have matching dollars or be willing to approve a Technology Transition Agreement (TTA) and identify transition funding.

What drives the annual number of OTST Projects selected?

The number of projects selected depends on the SBIR budget and how many eligible projects apply for OTST funding.

What Drives the OTST Funding Amount?

The SBIR/STTR Policy Directive (PD) dictates the maximum amount of SBIR/STTR funding that can be applied to Phase II contract without an SBA waiver. The SBIR/STTR funding amount is currently set at \$1.972M per PII contract – NTE two (2) PII contracts per topic/firm.

Work with the OTST program to determine the appropriate SBIR/STTR funding required to effectively transition the technology -(program cost sharing is preferred and an SBA waiver may be required).



OTST Investment Strategies

The OTST Program includes three (3) Transition Funding Strategies. The funding levels associated with these strategies reflects the OTST Programs Commitment to Transitioning the SBIR/STTR Technology.

(Listed in Funding Priority Order)

A. Targeted Phase II Transition (TPT) – The Funding Sponsor has identified a specific Technology or Technologies that will address their emergent / urgent Technology requirement/gap – has funding identified in a POM, existing PE or other funding (i.e. CIP etc...) and wants to Data Mine for this technology in the vast SBIR/STTR warehouse for mature technologies - (TRL- ≥5) - and can transition the technology – *post SBIR/STTR development* – within 12 months. SBIR Funding Not-to-Exceed \$1,972,828.00.

❖ **Transition Probability = HIGH**

B. Phase II Enhancement (e) – Shared Development of a SBIR Phase II Project between the OTST Program and the Assistant Directors (AD) or Funding Sponsor. The Funding Sponsor is eligible for SBIR matching funds up to \$1,972,828.00. SBIR/STTR funds may be applied to an existing PII contact or applied to a 2nd Phase II contract. The funding from the Sponsor is applied, concurrently, to a Phase II or III contract.

❖ **Transition Probability = MEDIUM – HIGH**

C. Accelerated Transition (AT) – The Funding Sponsor Commits to Transition the SBIR Technology and Acquisition Funding has been identified; matching funds variable - SBIR Funding Not-to-Exceed \$1,972,828.00.

❖ **Transition Probability = MEDIUM - HIGH**

❖ *If the Funding Sponsor is committed to Transitioning the Technology, the OTST Program may/will provide up to \$1.97M in SBIR funding. The sponsor will enter into a Technology Transition Agreement (TTA) with the OTST program and be able to clearly show the Acquisition Plan and Funding Required to Transitioning the Technology.*

The OTST program is not about funding, but about a Funding Sponsor's "SBIR Technology Pull" to meet requirements that address potential and emerging threats.



USD (R&E) 14 Critical Priority Technology Areas

The SBIR/SSTR Program is aligned to support these USD R&E priorities:

USD (R&E) 14 Critical Priority Technology Areas	
Advanced Computing and Software	Integrated Network Systems-of-Systems
Advanced Materials	Integrated Sensing and Cyber
Biotechnology	Microelectronics
Directed Energy	Quantum Science
Future Generation (FutureG) wireless technology	Renewable Energy Generation and Storage
Human-Machine Interfaces	Space Technology
Hypersonics	Trusted AI and Autonomy

NOTE:

- The 14 Critical Priority Technology Areas are a HIGH Priority under the OTST Pilot Program.
- The OTST Program accepts and considers all requests from the Components that address their High Priority Needs/Requirements.



OTST Program Benefits

Benefits of the OTST Program:

- 1) Process is structured to be a technology pull to meet requirements that address potential and emerging requirements.
- 2) Accelerates transition of SBIR-funded technologies to Phase III, especially into systems being developed, acquired, and maintained for the warfighter.
- 3) Accelerates technology transition by enhancing the connectivity among SBIR firms, prime contractors, and DoD S&T and acquisition communities.
- 4) Improves an SBIR firm's capability to provide the identified technology to the DoD.
- 5) Reflects the OTST program's commitment to provide additional funding for the SBIR Technology to a point where a transition decision can be made.
- 6) All SBIR/STTR Phase II efforts, approved under the OTST process, are contracted at our Contracting Center of Excellence and the Phase II contract type will be a Cost-Plus-Fixed-Fee (CPFF) - Basic Ordering Agreement (BOA).



OTST Phase III Program

The OTST program recently established Phase III contracting services with our Contracting Center of Excellence (CCoE). This Phase III contracting service works well for the Agencies & Components that have an OTST effort that was contracted at the CCoE as a Phase II BOA. The Phase II BOA is a great contract type to do a follow-on Phase III effort.

Additionally, the OTST Phase III contracting service is designed to work with any OSD OTST funded effort. There is the option to do the Phase III BOA or “C” type contract (*a.k.a. “Single action contract”*) – this is the sponsors choice, based on the type of effort being requested.



Frequently Asked Questions by the SBIR Firms

- 1) Is matching funds required? Can the funding match be from a prime, from a firm, etc.? How much does the funding match have to be?
- 2) If a Phase II award has ended, is the project still eligible for OTST PII funding consideration? Why or why not?
- 3) Upon notification that OTST PII project has been approved, how long does the process take? Who should I contact if it is taking longer?



Frequently Asked Questions

- 1) Is matching funds required? Can the funding match be from a prime, from a firm, etc.? How much does the funding match have to be?
- The OTST program requires a match from the DoD Agency / Components for PII Enhancements – funding to be concurrent with the SBIR funding
 - The OTST program **DOES NOT** match Prime funding – we only match funding from a DoD Agency or Component.
 - The MAX OTST will match is \$1,972,828.00 - 1-1 match. There is no limit on how much the Agency / Component can contribute.



Frequently Asked Questions

2) If a Phase II award has ended, is the project still eligible for OTST PII funding consideration? Why or why not?

- Projects are always eligible for a follow-on OTST PII effort (if the SBIR Topic has not exceeded the SBIR/STTR Policy Directive on the number of PII Topics). [Have a conversation with an OTST Program Team member to review the options.](#)

Notes:

- *Older SBIR/STTR topics that have no 2nd PII, (regardless of solicitation year) are prime candidates for transition.*



Frequently Asked Questions

- 3) Upon notification that the OTST PII project has been approved, how long does the process take? Who should I contact if it is taking longer?
- a) The length of time for contract awarded will depend upon the contracting strategy used to execute your Follow-on Phase II Investment. I.e. - Phase II (enhancements) are generally awarded faster, when the program funding is available and there is an existing (open) Phase II contract to do the PII Enhancement on. If we do the PII(e) on a new, 2nd PII contract – see item “c” below for contract award time.
 - b) The Accelerated Transition (AT) strategy (usually) requires new PII contract. Also, PII (AT) strategy requires an approved Technology Transition Agreement (TTA) before any contract action takes place. The TTA usually takes 40 - 60 days to complete and be approved by the stake holders (i.e. TPOC, Sponsoring Agency/Component (PM) and OTST Manager).
 - c) The PII contract vehicle used for OTST efforts is the Basic Ordering Agreement (BOA). The BOA itself takes approximately 30 days to be put in place and the 1st Delivery Order takes an estimated 90-100 days to award (*the more responsive the SBIR firm is with the contracting specialist on data required, the quicker the contracting process*). Note: the days to award noted above are based on the receipt of the PII contracts package by the contracting specialist.
 - d) Contact the OTST Program for a status on your PII contract.
 - e) **IMPORTANT** – Any/All OTST PII contract changes (i.e. No-Cost Extension, Cost Overruns etc..) are required to start with the TPOC and run through the OTST Program for approval.



Who to Contact?

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