

**PROGRAM SOLICITATION**

**Number 97**

**Small Business  
Technology Transfer (STTR)  
Program**

**IMPORTANT**

The DoD updates its SBIR/STTR Mailing list annually. To remain on the mailing list or to be added to the list, send in the Mailing List form (Reference E), found at the back of this solicitation, to DTIC. Failure to send in the form annually will result in removal of your name from the mailing list.

For general questions about the Defense Department's STTR program, please call the SBIR/STTR hotline at (800) 382-4634

U.S. Department of Defense  
STTR Program Office  
Washington, DC 20301

Opening Date: DECEMBER 4, 1996

Closing Date: APRIL 2, 1997

Deadline for receipt of proposals at the DoD  
Component is 2:00 p.m. local time.

## **IMPORTANT NEW FEATURES OF THE DEFENSE DEPARTMENT'S STTR PROGRAM**

This solicitation reflects a number of important changes in the Defense Department's STTR program that have been implemented over the past year. The purpose of these changes, which also apply to the Small Business Innovation Research (SBIR) program, is: (1) to make the program more user-friendly to small firms and their research institution partners, and (2) to increase commercialization of STTR research in military and/or private sector markets. The main changes are as follows:

### **1. Program assistance is as close as your telephone**

Questions about proposal preparation? Contract negotiation? Payment vouchers? Government accounting requirements? Intellectual property protection? Fast Track? Financing strategy? Get help with these and other program-related information needs -- and save valuable time -- by contacting our Department of Defense **SBIR/STTR Help Desk**:

- Phone: 800-382-4634 (8AM to 8PM EST)
- Fax: 800-462-4128
- Email: SBIRHELP@us.teltech.com

### **2. See our SBIR/STTR Home Page (<http://www.acq.osd.mil/sadbu/sbir>)**

Our Home Page offers electronic access to model STTR and SBIR contracts, abstracts of ongoing STTR projects, solicitations for the STTR and SBIR programs, the latest updates on the DoD STTR and SBIR programs, hyperlinks to sources of business assistance and financing, other useful information.

### **3. New STTR "Fast Track" for projects which obtain outside financing**

The Department's STTR program now features a Fast Track STTR process for companies/research institutions which, during their Phase I projects, attract independent third-party investors that will match Phase II STTR funding, in cash, at the matching rates described in Section 4.4. Companies/research institutions that obtain such third-party investments and thereby qualify for the STTR Fast Track will receive (subject to the qualifications in Section 4.4):

- interim STTR funding between Phases I and II (which must also be matched by the third party);
- the Department's highest priority for Phase II funding; and
- an expedited Phase II selection decision and award.

Thus far, of the Fast Track applications processed by the Department that have met the Fast Track requirements, a very high percentage have been selected for Phase II award. The Department's processing of all Fast Track applications is reviewed by the Under Secretary of Defense for Acquisition and Technology, to ensure the policy's effective implementation.

To enable potential third-party investors to identify Phase I projects in which to invest, the Department now electronically posts the abstracts of all selected Phase I awards on our SBIR/STTR Home Page, shortly after the awards are made.

### **4. Fewer delays in the STTR process**

All component STTR programs within the Department are reducing the time interval between proposal receipt and award to an average of four months in Phase I and an average of six months in Phase II.

## **5. Opportunity to ask technical questions about solicitation topics**

Approximately six weeks before each STTR or SBIR solicitation opens, the solicitation topics are pre-released electronically, on our Home Page, along with the names of topic authors or other technical experts and their phone numbers. This pre-release gives small companies/research institutions an opportunity to ask technical questions about specific solicitation topics by telephone before the solicitation opens. (The Air Force laboratories also issue their pre-releases in hard copy, at an earlier date – see Section 8, page AF-1). Once a solicitation opens, telephone questions will no longer be accepted, and companies/research institutions may ask written questions through the STTR Interactive Topic Information System (SITIS -- described in Section 7.2), in which the questioner and respondent remain anonymous and all questions and answers are posted electronically for general viewing. The SITIS service opens at the same time as the pre-release and closes to new questions approximately 30 days before the solicitation closes.

## **6. Other changes**

- Each company/research institution submitting a phase I or phase II proposal must complete a Company Commercialization Report (Appendix E) -- a simplified listing of the commercialization status of the company's prior phase II STTR or SBIR efforts.
- To ensure that STTR participants represent viable partnerships between small businesses and research institutions, each participant must certify that, at the time of an STTR award, the small business concern will 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 (see Section 3.4 introduction).

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# **DOD PROGRAM SOLICITATION FOR SMALL BUSINESS TECHNOLOGY TRANSFER**

## **1.0 PROGRAM DESCRIPTION**

### **1.1 Introduction**

The Army, Navy, Air Force, Defense Advanced Research Projects Agency (DARPA), and Ballistic Missile Defense Organization (BMDO), hereafter referred to as DoD Components, invite small business firms and research institutions to jointly submit proposals under this solicitation for the Small Business Technology Transfer (STTR) program. The STTR Program is a pilot program under which awards are made to small business concerns for cooperative research and development, conducted jointly by a small business and a research institution, through a uniform process having three phases. STTR, although modelled substantially on the Small Business Innovation Research (SBIR) Program, is a separate program and is separately financed. Subject to availability of funds, DoD Components will support high quality cooperative research and development proposals of innovative concepts to solve the listed defense-related scientific or engineering problems, especially those concepts that also have high potential for commercialization in the private sector.

The STTR Program is designed to provide a strong incentive for small companies and researchers at research institutions, i.e., non-profit research institutions, contractor-operated federally funded research and development centers (FFRDCs), and universities, to work together as a team to move ideas from the research institution to the marketplace, to foster high-tech economic development, and to address the technological needs of our armed forces. (See Appendix F)

Partnerships between small businesses and Historically Black Colleges or Universities (HBCUs) or Minority Institutions (MIs) are encouraged, although no special preference will be given to STTR proposals from such offerors.

The Federal STTR Program is mandated by Public Law 102-564. The basic design of the DoD STTR Program is in accordance with the Small Business Administration (SBA) STTR Policy Directive of 1993. The DoD Program presented in this solicitation strives to encourage scientific and technical innovation in areas specifically identified by DoD Components. The guidelines presented in this solicitation incorporate and exploit the flexibility of the

SBA Policy Directive to encourage proposals based on scientific and technical approaches most likely to yield results important to DoD and the private sector.

### **1.2 Three Phase Program**

This program solicitation is issued pursuant to the Small Business Research and Development Enhancement Act of 1992, PL 102-564. Phase I is to determine the scientific, technical and commercial merit and feasibility of the proposed cooperative effort and the quality of performance of the small business concern with a relatively small investment before consideration of future DoD support in Phase II. Several different proposed solutions to a given topic may be funded. Proposals will be evaluated on a competitive basis giving primary consideration to the scientific and technical merit of the proposal along with its potential for commercialization. Phase I awards are typically up to \$100,000 in size over a period not to exceed one year.

Subsequent Phase II awards will be made to firms on the basis of results of their Phase I effort and the scientific, technical merit and commercial potential of their Phase II proposal. Phase II awards are typically up to \$500,000 in size over a period generally not to exceed 24 months (subject to negotiation). Phase II is the principal research or research and development effort and is expected to produce a well-defined deliverable product or process.

Under Phase III, the small business is expected to use non-federal capital to pursue private sector applications of the research or development. Also, under Phase III, federal agencies may award non-STTR funded follow-on contracts for products or processes which meet the mission needs of those agencies.

DoD is not obligated to make any awards under either Phase I, II, or III. DoD is not responsible for any monies expended by the proposer before award of any contract.

### **1.3 Follow-On Funding**

In addition to supporting scientific and engineering research and development, another important goal of the program is conversion of DoD-

supported research or research and development into commercial products. Proposers are encouraged to obtain a contingent commitment for private or non-STTR follow-on funding prior to Phase II. This commitment may be contingent upon the DoD supported research or development meeting some specific technical objectives in Phase II which if met, would justify non-federal funding to pursue further development for commercial purposes in Phase III. *Note that when several Phase II proposals receive evaluations being of approximately equal merit, proposals that demonstrate such a commitment for follow-on funding will receive extra consideration during the evaluation process.*

The recipient will be permitted to obtain commercial rights to any invention made in either Phase I or Phase II, subject to the patent policies as stated in Section 5.7.

#### **1.4 Eligibility and Limitation**

Each proposer must qualify as a small business for research or research and development purposes as defined in Section 2.3 and certify to this on the Cover Sheet (Appendix A) of the proposal. In addition, a minimum of 40 percent of each STTR project must be carried out by the small business concern and a minimum of 30 percent of the effort performed by the research institution, as defined in Section 2.4.

A small business concern must negotiate a written agreement between the small business and the research institution allocating intellectual property rights and rights to carry out follow-on research, development, or commercialization (see Reference A).

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 of the employee's time is spent with the small business.

For both Phase I and Phase II, the research or research and development work must be performed by the small business concern and research institution in the United States. "United States" means the fifty states, the Territories and possessions of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the District of Columbia.

Joint ventures and limited partnerships are permitted for the small business portion, provided that the entity created qualifies as a small business in

accordance with the Small Business Act, 15 USC 631, and the definition included in Section 2.3.

#### **1.5 Conflicts of Interest**

Awards made to firms owned by or employing current or previous Federal Government employees could create conflicts of interest for those employees in violation of 18 USC and 10 USC 2397. Such proposers should contact the cognizant Ethics Counsellor of the DoD Component for further guidance.

## 1.6 Contact with DoD

**a. General Information.** General information questions pertaining to proposal instructions contained in this solicitation should be directed to:

STTR Coordinator  
U.S. Department of Defense  
OSD/SADBU - The Pentagon, Room 2A338  
Washington, DC 20301-3061

**SBIR/STTR Information Hotline: (800) 382-4634**

Other non-technical questions pertaining to a specific DoD Component should be directed in accordance with instructions given at the beginning of that DoD Component's topics in Section 8.0 of this solicitation. Oral communications with DoD Components regarding the technical content of this solicitation during the Phase I proposal preparation periods are prohibited for reasons of competitive fairness.

**b. Requests for Copies of DoD STTR Solicitation.** *To remain on the DoD SBIR/STTR Mailing list, send in the Mailing List form (Reference E) to DTIC.* Additional copies of this solicitation may be ordered from:

Defense Technical Information Center  
Attn: DTIC/STTR  
8725 John J Kingman Rd, Suite 0944  
Ft. Belvoir, VA 22060-6218  
(800) 363-7247 (800 DOD-SBIR)

This solicitation is also available on floppy diskette (in Word Perfect) from DTIC for a nominal processing fee. DoD SBIR and STTR solicitations can be accessed via Internet through the DoD SBIR/STTR Home Page, at (<http://www.acq.osd.mil/sadbu/sbir>).

**c. Outreach Program.** The DoD holds three National SBIR/STTR Conferences a year and participates in many state-organized conferences for small business.

## 2.0 DEFINITIONS

The following definitions apply for the purposes of this solicitation:

**2.1 Research or Research and Development.** Systematic study and experimentation directed toward greater knowledge or understanding of the subject studied or toward applying new knowledge to meet a recognized need.

**2.2 Cooperative Research and Development.** For the purposes of the STTR Program this means research and development conducted jointly by a small business concern and a research institution in which not less than 40 percent of the work is performed by the small business concern, and not less than 30 percent of the work is performed by the research institution.

**2.3 Small Business Concern.** A small business concern is one that, at the time of award of a Phase I or Phase II contract:

a. Is independently owned and operated and organized for profit, is not dominant in the field of operation in which it is proposing, and has its principal place of business located in the United States;

b. Is at least 51% owned, or in the case of a publicly owned business, at least 51% of its voting stock is owned by United States citizens or lawfully admitted permanent resident aliens;

c. Has, including its affiliates, a number of employees not exceeding 500, and meets the other regulatory requirements found in 13 CFR Part 121. Business concerns, other than investment companies licensed, or state development companies qualifying under the Small Business Investment Act of 1958, 15 USC 661, et seq., are affiliates of one another when either directly or indirectly (1) one concern controls or has the power to control the other; or (2) a third party or parties controls or has the power to control both. Control can be exercised through common ownership, common management, and contractual relationships. The term "affiliates" is defined in greater detail in 13 CFR Sec. 121.103. The term "number of employees" is defined in 13 CFR 121.106. Business concerns include, but are not limited to, any individual, partnership, corporation, joint venture, association or cooperative.

**2.4 Research Institution.** Any organization that is:

a. A university.

b. A nonprofit institution as defined in section 4(5) of the Stevenson-Wydler Technology Innovation Act of 1980.

c. A contractor-operated federally funded research and development center, as identified by the National Science Foundation in accordance with the government-wide Federal Acquisition Regulation issued in accordance with section 35(c)(1) of the Office of Federal Procurement Policy Act. (See Appendix F for a list of eligible FFRDCs.)

**2.5 Socially and Economically Disadvantaged Small Business.** A small business that is at the time of award of a Phase I or Phase II contract:

a. At least 51% owned by an Indian tribe or a native Hawaiian organization, or one or more socially and economically disadvantaged individuals, and

b. Whose management and daily business operations are controlled by one or more socially and economically disadvantaged individuals.

A socially and economically disadvantaged individual is defined as a member of any of the following groups: Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent-Asian Americans, or other groups designated by SBA to be socially disadvantaged.

**2.6 Women-Owned Small Business.** A small business concern that is at least 51% owned by a woman or women who also control and operate it. "Control" in this context means exercising the power to make policy decisions. "Operate" in this context means being actively involved in the day-to-day management.

**2.7 Funding Agreement.** Any contract, grant, or cooperative agreement entered into between any federal agency and any small business concern for the performance of experimental, developmental, or research work funded in whole or in part by the federal government. *Only the contract method will be used by DoD components for all STTR awards.*

**2.8 Subcontract.** A subcontract is any agreement, other than one involving an employer-employee relationship, entered into by a Federal Government contract awardee calling for supplies or services

required solely for the performance of the original contract. This includes consultants.

**2.9 Commercialization.** The process of developing markets and producing and delivering products for sale (whether by the originating party or by others); as used here, commercialization includes both government and private sector markets.

**2.10 HBCU/MI.** A list of the Historically Black Colleges and Universities (HBCU) and Minority Institutions (MI) is available through DTIC (see section 1.6.b).

## 3.0 PROPOSAL PREPARATION INSTRUCTIONS AND REQUIREMENTS

### 3.1 Proposal Requirements

A proposal to any DoD Component under the STTR Program is to provide sufficient information to persuade the DoD Component that the proposed work represents an innovative approach to the investigation of an important scientific or engineering problem and is worthy of support under the stated criteria.

The quality of the scientific, technical or commercial content of the proposal will be the principal basis upon which proposals will be evaluated. The proposed research or research and development must be responsive to the chosen topic. Any small business contemplating a bid for work on any specific topic should determine that (a) the technical approach has a reasonable chance of meeting the topic objective, (b) this approach is innovative, not routine, and (c) the firm and research institution team have the capability to implement the technical approach, i.e. have or can obtain people and equipment suitable to the task.

It should be recognized that while the STTR Program requires a small business and a research institution to undertake a project cooperatively, the Federal contract is with the small business. The small business, and not the research institution, is to provide satisfactory evidence that it will exercise management direction and control of the performance of the STTR funding agreement. Regardless of the proportion of the work or funding of each of the performers under the contract, the small business is to be primary contractor with overall responsibility for its performance.

Those responding to this solicitation should note the proposal preparation tips listed below:

- Read and follow all instructions contained in this solicitation.
- Use the technical information services from DTIC and other information assistance organizations (Section 7.1 - 7.4).
- Mark proprietary information as instructed in Section 5.5.
- Limit your proposal to 25 pages (excluding company commercialization report).
- Have an agreement between the small business and research institution in place prior to proposal submission (see Section 3.4.o and Reference A).
- Use a type size no smaller than 12 pitch or 11 point.

- Don't include proprietary or classified information in the project summary (Appendix B).
- Include a Copy of Appendix A, Appendix B and Appendix E as part of the Original of each proposal.
- Do not use a proportionally spaced font on Appendix A and Appendix B.

### 3.2 Proprietary Information

If information is provided which constitutes a trade secret, proprietary, commercial or financial information, confidential personal information, or data affecting the national security, it will be treated in confidence to the extent permitted by law, provided it is clearly marked in accordance with Section 5.5.

### 3.3 Limitations on Length of Proposal

This solicitation is designed to reduce the investment of time and cost to small firms in preparing a formal proposal. Those who wish to respond must submit a direct, concise, and informative research or research and development proposal of no more than 25 pages, excluding Company Commercialization Report (Appendix E), (no type smaller than 11 point or 12 pitch on standard 8½" X 11" paper with one (1) inch margins, 6 lines per inch), *including Proposal Cover Sheet (Appendix A), Project Summary (Appendix B), Cost Proposal (Appendix C), and any enclosures or attachments.* Promotional and non-project related discussion is discouraged. Cover all items listed below in Section 3.4 in the order given. The space allocated to each will depend on the problem chosen and the principal investigator's approach. In the interest of equity, proposals in excess of the 25-page limitation (including attachments, appendices, or references, but excluding Company Commercialization Report) will not be considered for review or award.

### 3.4 Phase I Proposal Format

All pages shall be consecutively numbered and the ORIGINAL of each proposal must contain a completed copy of Appendix A, Appendix B and Appendix E. Through the signature of the Corporate Official of the small business concern and the signature of the appropriate official of the research institution on Appendix A, the small business concern AND the research institution certify jointly that:

- (1)The proposing firm meets the definition of small business concern found in section 2.3, the proposing institution meets the definition of research institution found in section 2.4, and the proposed STTR project meets the definition of cooperative research and development as defined in section 2.2, and
- (2)Regardless of the proportion of the proposed project to be performed by each party, the small business concern will be the primary party that will exercise management direction and control of the performance of the STTR award.
- (3)An agreement has been signed by both the small business and research institution. (see section 3.4.o)
- (4)At the time of award, the small business concern will 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.

If the research institution is a contractor-operated Federally funded research and development center, the appropriate official signing for the contractor-operated Federally funded research and development center certifies additionally that it:

- (5)Is free from organizational conflicts of interests relative to the STTR program;
- (6)Did not use privileged information gained through work performed for an STTR agency or private access to STTR agency personnel in the development of this STTR proposal; and
- (7)Used outside peer review as appropriate, to evaluate the proposed project and its performance therein.

**a. Cover Sheet.** Complete Appendix A, photocopy the completed form, and use a copy as Page 1 of each additional copy of your proposal.

**b. Project Summary.** Complete Appendix B, photocopy the completed form, and use a copy as Page 2 of each additional copy of your proposal. The technical abstract should include a brief description of the project objectives and description of the effort. Anticipated benefits and commercial applications of the proposed research or research and development

should also be summarized in the space provided. Project Summaries of proposals selected for award will be publicly released on the internet and, therefore, should not contain proprietary or classified information.

**c. Identification and Significance of the Problem or Opportunity.** Define the specific technical problem or opportunity addressed and its importance. (Begin on Page 3 of your proposal.)

**d. Phase I Technical Objectives.** Enumerate the specific objectives of the Phase I work, including the questions it will try to answer to determine the feasibility of the proposed approach.

**e. Phase I Work Plan.** Provide an explicit, detailed description of the Phase I approach. The plan should indicate what is planned, how and where the work will be carried out, a schedule of major events, and the final product to be delivered. Phase I effort should attempt to determine the technical feasibility of the proposed concept. The methods planned to achieve each objective or task should be discussed explicitly and in detail. This section should be a substantial portion of the total proposal.

**f. Related Work.** Describe significant activities directly related to the proposed effort, including any conducted by the principal investigator, the proposing firm, consultants, or others. Describe how these activities interface with the proposed project and discuss any planned coordination with outside sources. The proposal must persuade reviewers of the proposer's awareness of the state-of-the-art in the specific topic.

Describe previous work not directly related to the proposed effort but similar. Provide the following: (1) short description, (2) client for which work was performed (including individual to be contacted and phone number), and (3) date of completion.

**g. Relationship with Future Research or Research and Development.**

- (1)State the anticipated results of the proposed approach if the project is successful.
- (2)Discuss the significance of the Phase I effort in providing a foundation for Phase II research or research and development effort.

**h. Potential Post Applications.** Describe, in approximately one page, your company's strategy for converting your proposed STTR research into a

product or products with widespread commercial use in private sector and/or military markets.

**i. Key Personnel.** Identify key personnel who will be involved in the Phase I effort including information on directly related education and experience. A concise resume of the principal investigator, including a list of relevant publications (if any), must be included.

**j. Facilities/Equipment.** Describe available instrumentation and physical facilities necessary to carry out the Phase I effort. Items of equipment to be purchased (as detailed in Appendix C) shall be justified under this section. Also state whether or not the facilities where the proposed work will be performed meet environmental laws and regulations of federal, state (name) and local governments for, but not limited to, the following groupings: airborne emissions, waterborne effluents, external radiation levels, outdoor noise, solid and bulk waste disposal practices, and handling and storage of toxic and hazardous materials.

**k. Subcontractors/Consultants.** All subcontractors, including the research institution partner, must be identified and described according to the guidelines in Appendix C. The STTR program may only make awards to small businesses therefore the research institution must have a subcontracting arrangement with the small business. More than one subcontractor is allowed; however, the small business must perform at least 40% of the effort and the research institution listed on the Appendix A must perform at least 30% of the work. Subcontractor costs must be detailed at the same level as prime contractor costs in accordance with Appendix C (in regards to labor, travel, equipment, etc.). If consultants are involved, it should be described in detail and identified in Appendix C.

**l. Prior, Current, or Pending Support of Similar Proposals or Awards.** *Warning* -- While it is permissible, with proposal notification, to submit identical proposals or proposals containing a significant amount of essentially equivalent work for consideration under numerous federal program solicitations, it is unlawful to enter into contracts or grants requiring essentially equivalent effort. If there is any question concerning this, it must be disclosed to the soliciting agency or agencies before award.

If a proposal submitted in response to this solicitation is substantially the same as another

proposal that has been funded, is now being funded, or is pending with another federal agency or DoD Component or the same DoD Component, the proposer must indicate action on Appendix A and provide the following information:

- (1) Name and address of the federal agency(s) or DoD Component to which a proposal was submitted, will be submitted, or from which an award is expected or has been received.
- (2) Date of proposal submission or date of award.
- (3) Title of proposal.
- (4) Name and title of principal investigator for each proposal submitted or award received.
- (5) Title, number, and date of solicitation(s) under which the proposal was submitted, will be submitted, or under which award is expected or has been received.
- (6) If award was received, state contract number.
- (7) Specify the applicable topics for each STTR proposal submitted or award received.

*Note: If Section 3.4.1 does not apply, state in the proposal "No prior, current, or pending support for proposed work."*

**m. Cost Proposal.** Complete the cost proposal in the form of Appendix C for the Phase I effort only. Some items of Appendix C may not apply to the proposed project. If such is the case, there is no need to provide information on each and every item. What matters is that enough information be provided to allow the DoD Component to understand how the proposer plans to use the requested funds if the contract is awarded.

- (1) List all key personnel by name as well as by number of hours dedicated to the project as direct labor.
- (2) Special tooling and test equipment and material cost may be included under Phases I and II. The inclusion of equipment and material will be carefully reviewed relative to need and appropriateness for the work proposed. The purchase of special tooling and test equipment must, in the opinion of the Contracting Officer, be advantageous to the government and should be related directly to the specific topic. These may include such items as innovative instrumentation and/or automatic test equipment. Title to property furnished by the government or acquired with government funds will be vested with the DoD Component, unless it is determined that transfer of title to the contractor would be more cost effective

than recovery of the equipment by the DoD Component.

- (3) Cost for travel funds must be justified and related to the needs of the project.
- (4) Cost sharing is permitted for proposals under this solicitation; however, cost sharing is not required nor will it be an evaluation factor in the consideration of a proposal.

**n. Company Commercialization Report.** All small business concerns submitting a Phase I or Phase II proposal must complete Appendix E (Company Commercialization Report), listing the commercialization status of the concern's prior Phase II STTR or SBIR efforts.

This required proposal information shall not be counted toward proposal pages count limitations. A report showing that a small business concern has received no prior Phase II awards will not affect the concern's ability to obtain an STTR award.

**o. Agreement between the Small Business and Research Institution.** The small business, before submitting an STTR proposal, must negotiate a written agreement between the small business and the research institution allocating intellectual property rights and rights, if any, to carry out follow-on research, development, or commercialization. The small business must submit this agreement to the awarding agency on request and certify in all proposals that the agreement is satisfactory to the small business. The agreement should, as a minimum, state:

- (1) specifically the degree of responsibility and ownership of any product, process, or other invention or innovation resulting from the cooperative research. The degree of responsibility shall include responsibility for expenses and liability, and the degree of ownership shall also include the specific rights to revenues and profits.
- (2) which party may obtain U.S. or foreign patents or otherwise protect any inventions resulting from the cooperative research.
- (3) which party has the right to any continuation of research including non-STTR follow-on awards.

See Reference A for a guideline or model for such an agreement.

The Federal government will not normally be party to any agreement between the small business concern and the research institution. Nothing in the agreement is to conflict with any provisions setting forth the respective rights of the United States and the small

business with respect to intellectual property rights and with respect to any right to carry out follow-on research. All agreements between the small business and the research institution cooperating in the STTR projects, or any business plans reflecting agreements and responsibilities between the parties during the performance of Phase I or II, or for the commercialization of the resulting technology, shall reflect the controlling position of the small business.

### 3.5 Bindings

Do not use special bindings or cover. Staple the pages in the upper left hand corner of each proposal.

### 3.6 Phase II Proposal

This solicitation is for Phase I only. A Phase II proposal can be submitted only by a Phase I awardee and only in response to a request from the agency; that

is, Phase II is not initiated by a solicitation. Each proposal must contain a Cover Sheet (Appendix A) and a Project Summary Sheet (Appendix B), and a Company Commercialization Report (Appendix E). Copies of Appendices along with instructions regarding Phase II proposal preparation and submission will be provided by the DoD Components to all Phase I winners at time of Phase I contract award.

## 4.0 METHOD OF SELECTION AND EVALUATION CRITERIA

### 4.1 Introduction

Phase I proposals will be evaluated on a competitive basis and will be considered to be binding for six (6) months from the date of closing of this solicitation unless offeror states otherwise. If selection has not been made prior to the proposal's expiration date, offerors will be requested as to whether or not they want to extend their proposal for an additional period of time. Proposals meeting stated solicitation requirements will be evaluated by scientists or engineers knowledgeable in the topic area. Proposals will be evaluated first on their relevance to the chosen topic. Those found to be relevant will then be evaluated using the criteria listed in Section 4.2. Final decisions will be made by the DoD Component based upon these criteria and consideration of other factors including possible duplication of other work, and program balance. A DoD Component may elect to fund several or none of the proposed approaches to the same topic. In the evaluation and handling of proposals, every effort will be made to protect the confidentiality of the proposal and any evaluations. There is no commitment by the DoD Components to make any awards on any topic, to make a specific number of awards or to be responsible for any monies expended by the proposer before award of a contract.

For proposals that have been selected for contract award, a Government Contracting Officer will draw up an appropriate contract to be signed by both parties before work begins. Any negotiations that may be necessary will be conducted between the offeror and the Government Contracting Officer. It should be noted that only a duly appointed contracting officer has the authority to enter into a contract on behalf of the U.S. Government.

Phase II proposals will be subject to a technical review process similar to Phase I. Final decisions will be made by DoD Components based upon the

scientific and technical evaluations and other factors, including a commitment for Phase III follow-on funding, the possible duplication with other research or research and development, program balance, budget limitations, and the potential of a successful Phase II effort leading to a product of continuing interest to DoD and with high private sector commercial potential.

Upon written request and after final award decisions have been announced, a debriefing will be provided to unsuccessful offerors on their proposals.

### 4.2 Evaluation Criteria - Phase I

The DoD Components plan to select for award those proposals offering the best value to the government and the nation considering the following factors.

- a. The soundness and technical merit of the proposed approach and its incremental progress toward topic or subtopic solution
- b. The potential for commercial (government or private sector) application and the benefits expected to accrue from this commercialization
- c. The adequacy of the proposed effort for the fulfillment of requirements of the research topic
- d. The qualifications of the proposed principal/key investigator, supporting staff and researchers from the research institution. Qualifications include not only the ability to perform the research and development but also the ability to commercialize the results.

Where evaluations are essentially equal in merit, cost to the government will be considered in determining the successful offeror.

Reviewers will base their conclusions only on information contained in the proposal. It cannot be assumed that reviewers are acquainted with the firm or

key individuals or any referenced experiments. Relevant supporting data such as journal articles, literature, including government publications, etc., should be contained or referenced in the proposal.

#### 4.3 Evaluation Criteria - Phase II

The Phase II proposal will be reviewed for overall merit based upon the criteria below.

- a. The soundness and technical merit of the proposed approach and its incremental progress toward topic or subtopic solution
- b. The potential for commercial (government or private sector) application and the benefits expected to accrue from this commercialization
- c. The adequacy of the proposed effort for the fulfillment of requirements of the research topic
- d. The qualifications of the proposed principal/key investigator, supporting staff and researchers from the research institution. Qualifications include not only the ability to perform the research and development but also the ability to commercialize the results.

A proposal's commercial potential can be evidenced by:

- (1) the small business concern's record of commercializing STTR or other research,
- (2) the existence of second phase funding commitments from private sector or non-STTR government funding sources,
- (3) the existence of third phase follow-on commitments for the subject of the research, or
- (4) the presence of other indicators of commercial potential of the idea.

The reasonableness of the proposed costs of the effort to be performed will be examined to determine those proposals that offer the best value to the government. Where technical evaluations are essentially equal in merit, cost to the government will be considered in determining the successful offeror.

The follow-on funding commitment must provide that a specific amount of Phase III funds will be made available to or by the small business and indicate the dates the funds will be made available. It must also contain specific technical objectives which, if achieved in Phase II, will make the commitment exercisable by the small business. The terms cannot be contingent upon the obtaining of a patent due to the length of time this process requires. The funding commitment shall be submitted with the Phase II proposal.

Phase II proposal evaluation may include on-site evaluations of the Phase I effort by government personnel.

#### 4.4 STTR Fast Track

**a. In General.** On a two-year pilot basis, beginning with this solicitation, the DoD STTR program will implement a fast-track STTR process for companies which, during their Phase I projects, attract independent third-party investors that will match both phase II STTR funding and interim STTR funding (between Phases I and II). As discussed in detail below, companies which obtain such third-party matching funds and thereby qualify for the STTR fast track will receive (subject to the qualifications described herein):

- (1) Interim funding on the order of \$40,000 (generally, \$30,000 to \$50,000) between Phases I and II;
- (2) The Department's highest priority for Phase II STTR funding; and
- (3) An expedited Phase II selection decision and, upon selection, an expedited Phase II award.

#### **b. How To Qualify for the STTR Fast Track.**

To qualify for the STTR fast track, a company must submit the following items, at least 60 days prior to completion of its Phase I project, to the same address the company would send its Phase II proposal (see back of Appendix D):

- (1) A completed fast-track application form, found at Appendix D. (**IMPORTANT:** please also send a copy to OSD STTR -- see back of Appendix D.)
- (2) A commitment letter from an independent third-party investor -- such as another company, a venture capital firm, an "angel" investor, or a non-STTR/non-SBIR government program -- indicating that the third-party investor will match both interim and Phase II STTR funding, in cash, contingent upon the company's receipt of interim and Phase II STTR funds. For guidance on what types of relationships between a small company and outside investors in the company meet the conditions for the fast track, see the DoD (tel. 800 382-4634).

SBIR/ST

The matching rates are as follows:

- (a) For companies that have 10 or fewer employees and have never received a Phase II STTR or SBIR award from DoD or any other federal agency,

the minimum matching rate is 25 cents for every STTR dollar. (For example, if such a company receives an interim STTR award of \$40,000 and a Phase II award of \$500,000, it must obtain matching funds of \$10,000 and \$125,000 respectively for the two awards.)

- (b) For companies that have received 5 or more Phase II STTR or SBIR awards from the federal government (including DoD), the minimum matching rate is 1 dollar for every STTR dollar. (For example, if such a company receives an interim STTR award of \$40,000 and a Phase II award of \$500,000, it must obtain matching funds of \$40,000 and \$500,000 respectively for the two awards.)
- (c) For all other companies, the minimum matching rate is 50 cents for every STTR dollar. (For example, if such a company receives an interim STTR award of \$40,000 and a Phase II award of \$500,000, it must obtain matching funds of \$20,000 and \$250,000 respectively for the two awards.)

The commitment letter should indicate that the third-party funds will pay for work that is connected to the particular STTR project, and should describe the general nature of that work. The work funded by the third-party investor may be additional research and development on the project or, alternatively, it may be other activity related to the project (e.g., marketing) that is outside the scope of the STTR contract.

- (3) A concise statement of work for the interim STTR effort (if an interim option was not previously negotiated on the Phase I contract). This statement of work should be under 4 pages in length.
- (4) A concise report on the status of the Phase I project, if required by the DoD component that is funding the project. This report should be under 4 pages in length.

In addition:

- (1) The company must submit its Phase II proposal no later than 30 days prior to completion of its Phase I project, unless a different deadline for fast-track Phase II proposals is specified in the Phase II

proposal instructions of the sponsoring DoD component.

- (2) If the company receives an interim and/or Phase II STTR award from DoD, its matching funds must arrive before corresponding installments of STTR funds are released. For example, a company whose matching rate is 50 cents to the dollar must certify, to the satisfaction of its DoD contracting officer, that it has received \$20,000 in cash from the third-party investor before the contracting officer will release \$40,000 in interim STTR funds. Similarly, the company must certify that it has received \$30,000 in third-party funds before the contracting officer will release a \$60,000 installment of Phase II funds. (A simple letter stating that the third-party funds have arrived, with an attached copy of the bank statement, should generally suffice.)

*Failure to meet these conditions in their entirety and within the time frames indicated will disqualify a company from participation in the STTR fast track. The company will still be eligible to compete for a Phase II STTR award through the regular procedures.*

**c. Benefits of Qualifying for the Fast Track.** A company which qualifies for the fast track will:

- (1) Receive interim STTR funding on the order of \$40,000 (generally, \$30,000 to \$50,000), commencing at the end of Phase I.

*Note: It is DoD policy that the vast majority of Phase I contracts which qualify for the fast track will receive interim STTR funding. However, the DoD contracting office has the discretion and authority, in any particular instance, to deny interim funding to a Phase I contractor when doing so is in the government's interest (e.g., when the project no longer meets a military need).*

- (2) Receive the Department's highest priority for Phase II award. Specifically, it is DoD policy that the percentage of fast-track Phase I projects which receive Phase II awards will be significantly higher than the overall percentage of Phase I projects which receive Phase II awards.

- (3) Receive notification of whether it has been selected for a Phase II award, within an average of two months -- and, in all cases, no longer than ten weeks -- after the completion of its Phase I project.
- (4) If selected, receive its Phase II award within an average of five months from the completion of its Phase I project.

## 5.0 CONTRACTUAL CONSIDERATIONS

Note: Eligibility and Limitation Requirements (Section 1.4) Will Be Enforced

### 5.1 Awards (Phase I)

**a. Number of Phase I Awards.** The number of Phase I awards will be consistent with the agency's RDT&E budget, the number of anticipated awards for interim Phase I modifications, and the number of anticipated Phase II contracts. No Phase I contracts will be awarded until all qualified proposals (received in accordance with Section 6.2) on a specific topic have been evaluated. All proposers will be notified of selection/non-selection status for a Phase I award no later than August 4, 1997. The name of those firms selected for awards will be announced. *The DoD Components anticipate making 75 Phase I awards from this solicitation.*

**b. Type of Funding Agreement.** All winning proposals will be funded under negotiated contracts and may include a fee or profit. The firm fixed price or cost plus fixed fee type contract will be used for all Phase I projects (see Section 5.4). *Note: The firm fixed price contract is the preferred type for Phase I.*

**c. Average Dollar Value of Awards.** DoD Components will make Phase I awards to small businesses typically on a one-half person-year effort over a period generally not to exceed one year (subject to negotiation). PL 102-564 allows agencies to award Phase I contracts up to \$100,000 without justification. Where applicable, specific funding instructions are contained in Section 8 for each DoD Component.

### 5.2 Awards (Phase II)

**a. Number of Phase II Awards.** The number of Phase II awards will depend upon the results of the Phase I efforts and the availability of funds. *The DoD anticipates that approximately 40 percent of its Phase I awards will result in Phase II projects.*

**b. Type of Funding Agreement.** Each Phase II proposal selected for award will be funded under a negotiated contract and may include a fee or profit.

**c. Project Continuity.** Phase II proposers who wish to maintain project continuity must submit proposals no later than 30 days prior to the expiration date of the Phase I contract and must identify in their proposal the work to be performed for the first four

months of the Phase II effort and the costs associated therewith. *These Phase II proposers may be issued a modification to the Phase I contract, at the discretion of the government, covering an interim period not to exceed four months for preliminary Phase II work while the total Phase II proposal is being evaluated and a contract is negotiated. This modification would normally become effective at the completion of Phase I or as soon thereafter as possible. Funding, scope of work, and length of performance for this interim period will be subject to negotiations. Issuance of a contract modification for the interim period does not commit the government to award a Phase II contract. See special instructions for each DoD Component in Section 8. (For Phase I projects which qualify for the STTR Fast Track, the instructions in Section 4.4 supersede those in this paragraph.)*

**d. Average Dollar Value of Awards.** Phase II awards will be made to small businesses based on results of the Phase I efforts and the scientific, technical, and commercial merit of the Phase II proposal. Average Phase II awards will typically cover 2 to 5 person-years of effort over a period generally not to exceed 24 months (subject to negotiation). PL 102-564 states that the Phase II awards may be up to \$500,000 each without justification. Specific instructions are provided by each DoD Component in Section 8.

### 5.3 Reports

**a. Content.** A final report is required for each Phase I project. The report must contain in detail the project objectives, work performed, results obtained, and estimates of technical feasibility. A completed SF 298, "Report Documentation Page", will be used as the first page of the report. In addition, Monthly status and progress reports may be required by the DoD agency. (A blank SF 298 is provided in Section 9.0, Reference D.)

**b. Preparation.**

(1) To avoid duplication of effort, language used to report Phase I progress in a Phase II proposal, if submitted, may be used verbatim in the final report with changes to accommodate results after Phase II proposal submission and modifications required to integrate the final report into a self-

contained comprehensive and logically structured document.

- (2)Block 12a (Distribution/Availability Statement) of the SF298, "Report Documentation Page" in each unclassified final report must contain one of the following statements:
  - (a)Approved for public release; distribution unlimited.
  - (b)Distribution authorized to U.S. Government Agencies only; contains proprietary information.
- (3)Block 13 (Abstract) of the SF 298, "Report Documentation Page") must include as the first sentence, "Report developed under STTR contract". The abstract must identify the purpose of the work and briefly describe the work carried out, the finding or results and the potential applications of the effort. Since the abstract will be published by the DoD, it must not contain any proprietary or classified data.
- (4)Block 14 (Subject Terms) of the SF 298 must include the term "STTR Report".

**c.Submission.** SIX COPIES of the final report on each Phase I project shall be submitted to the DoD in accordance with the negotiated delivery schedule. Delivery will normally be within thirty days after completion of the Phase I technical effort. One copy of each unclassified report shall be delivered directly to the DTIC, ATTN: Document Acquisition, 8725 John J Kingman Road, Suite 0944, Ft. Belvoir, VA 22060-6218.

#### 5.4 Payment Schedule

The specific payment schedule (including payment amounts) for each contract will be incorporated into the contract upon completion of negotiations between the DoD and the successful Phase I or Phase II offeror. Successful offerors may be paid periodically as work progresses in accordance with the negotiated price and payment schedule. Phase I contracts are primarily fixed price contracts, under which monthly progress payments may be made up to 90% for small businesses and up to 95% for small disadvantaged businesses of the contract price excluding fee or profit. The contract may include a separate provision for payment of a fee or profit. Final payment will follow completion of contract performance and acceptance of all work required under the contract. Other types of financial assistance may be available under the contract.

#### 5.5 Markings of Proprietary or Classified Proposal Information

The proposal submitted in response to this solicitation may contain technical and other data which the proposer does not want disclosed to the public or used by the government for any purpose other than proposal evaluation.

Information contained in unsuccessful proposals will remain the property of the proposer except for Appendices A and B. The government may, however, retain copies of all proposals. Public release of information in any proposal submitted will be subject to existing statutory and regulatory requirements.

If proprietary information is provided by a proposer in a proposal which constitutes a trade secret, proprietary commercial or financial information, confidential personal information or data affecting the national security, it will be treated in confidence, to the extent permitted by law, provided this information is clearly marked by the proposer with the term "confidential proprietary information" and provided that the following legend which appears on the title page (Appendix A) of the proposal is completed:

"For any purpose other than to evaluate the proposal, this data except Appendix A and B shall not be disclosed outside the government and shall not be duplicated, used, or disclosed in whole or in part, provided that if a contract is awarded to the proposer 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 funding agreement. This restriction does not limit the government's right to use information contained in the data if it is obtained from another source without restriction."

Any other legend may be unacceptable to the government and may constitute grounds for removing the proposal from further consideration and without assuming any liability for inadvertent disclosure. The government will limit dissemination of properly marked information to within official channels.

In addition, each page of the proposal containing proprietary data which the proposer wishes to restrict must be marked with the following legend:

"Use or disclosure of the proposal data on lines specifically identified by asterisk (\*) are subject

to the restriction on the cover page of this proposal."

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

In the event properly marked data contained in a proposal in response to this solicitation is requested pursuant to the Freedom of Information Act, 5 USC 552, the proposer will be advised of such request and prior to such release of information will be requested to expeditiously submit to the DoD Component a detailed listing of all information in the proposal which the proposer believes to be exempt from disclosure under the Act. Such action and cooperation on the part of the proposer will ensure that any information released by the DoD Component pursuant to the Act is properly determined.

Those proposers that have a classified facility clearance may submit classified material with their proposal. Any classified material shall be marked and handled in accordance with applicable regulations. Arbitrary and unwarranted use of this restriction is discouraged. Offerors must follow the Industrial Security Manual for Safeguarding Classified Information (DoD 5220.22M) procedures for marking and handling classified material.

## 5.6 Copyrights

To the extent permitted by statute, the awardee may copyright (consistent with appropriate national security considerations, if any) material developed with DoD support. DoD receives a royalty-free license for the Federal Government and requires that each publication contain an appropriate acknowledgement and disclaimer statement.

## 5.7 Patents

Small business firms normally may retain the principal worldwide patent rights to any invention developed with government support. The government receives a royalty-free license for its use, reserves the right to require the patent holder to license others in certain limited circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must normally manufacture it domestically. To the extent authorized by 35 USC 205, the government will not make public any information disclosing a government-supported invention for a period of five years to allow the awardee to pursue a patent.

## 5.8 Technical Data Rights

Rights in technical data, including software, developed under the terms of any contract resulting from proposals submitted in response to this solicitation generally remain with the contractor, except that the government obtains a royalty-free license to use such technical data only for government purposes during the period commencing with contract award and ending five years after completion of the project under which the data were generated. Upon expiration of the five-year restrictive license, the government has unlimited rights in the STTR data. During the license period, the government may not release or disclose STTR data to any person other than its support services contractors except: (1) For evaluational purposes; (2) As expressly permitted by the contractor; or (3) A use, release, or disclosure that is necessary for emergency repair or overhaul of items operated by the government. See FAR clause 52.227-20, "Rights in Data - SBIR Program" and DFARS 252.227-7018, "Rights in Noncommercial Technical Data and Computer Software -- SBIR Program."

## 5.9 Cost Sharing

Cost sharing is permitted for proposals under this solicitation; however, cost sharing is not required nor will it be an evaluation factor in the consideration of any Phase I proposal.

## 5.10 Joint Ventures or Limited Partnerships

Joint ventures and limited partnerships are eligible provided the entity created qualifies as a small business as defined in Section 2.2 of this solicitation.

## 5.11 Research and Analytical Work

For Phase I and II, a minimum of 40 percent of the research and/or analytical effort must be performed by the proposing firm and a minimum of 30 percent performed by the research institution unless otherwise approved in writing by the contracting officer.

## 5.12 Contractor Commitments

Upon award of a contract, the contractor will be required to make certain legal commitments through acceptance of government contract clauses in the Phase I contract. The outline that follows is illustrative

of the types of provisions required by the Federal Acquisition Regulations that will be included in the Phase I contract. This is not a complete list of provisions to be included in Phase I contracts, nor does it contain specific wording of these clauses. Copies of complete general provisions will be made available prior to award.

**a. Standards of Work.** Work performed under the contract must conform to high professional standards.

**b. Inspection.** Work performed under the contract is subject to government inspection and evaluation at all reasonable times.

**c. Examination of Records.** The Comptroller General (or a fully authorized representative) shall have the right to examine any directly pertinent records of the contractor involving transactions related to this contract.

**d. Default.** The government may terminate the contract if the contractor fails to perform the work contracted.

**e. Termination for Convenience.** The contract may be terminated at any time by the government if it deems termination to be in its best interest, in which case the contractor will be compensated for work performed and for reasonable termination costs.

**f. Disputes.** Any dispute concerning the contract which cannot be resolved by agreement shall be decided by the contracting officer with right of appeal.

**g. Contract Work Hours.** The contractor may not require an employee to work more than eight hours a day or forty hours a week unless the employee is compensated accordingly (that is, receives overtime pay).

**h. Equal Opportunity.** The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

**i. Affirmative Action for Veterans.** The contractor will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era.

**j. Affirmative Action for Handicapped.** The contractor will not discriminate against any employee or applicant for employment because he or she is physically or mentally handicapped.

**k. Officials Not to Benefit.** No member of or delegate to Congress shall benefit from the contract.

**l. Covenant Against Contingent Fees.** No person or agency has been employed to solicit or secure the contract upon an understanding for compensation except bona fide employees or commercial agencies maintained by the contractor for the purpose of securing business.

**m. Gratuities.** The contract may be terminated by the government if any gratuities have been offered to any representative of the government to secure the contract.

**n. Patent Infringement.** The contractor shall report each notice or claim of patent infringement based on the performance of the contract.

**o. Military Security Requirements.** The contractor shall safeguard any classified information associated with the contracted work in accordance with applicable regulations.

**p. American Made Equipment and Products.** When purchasing equipment or a product under the STTR funding agreement, purchase only American-made items whenever possible.

### 5.13 Additional Information

**a.General.** This Program Solicitation is intended for information purposes and reflects current planning. If there is any inconsistency between the information contained herein and the terms of any resulting STTR contract, the terms of the contract are controlling.

**b.Small Business Data.** Before award of an STTR contract, the government may request the proposer to submit certain organizational, management, personnel, and financial information to confirm responsibility of the proposer.

**c.Proposal Preparation Costs.** The government is not responsible for any monies expended by the proposer before award of any contract.

**d.Government Obligations.** This Program Solicitation is not an offer by the government and does not obligate the government to make any specific number of awards. Also, awards under this program are contingent upon the availability of funds.

**e.Unsolicited Proposals.** The STTR Program is not a substitute for existing unsolicited proposal mechanisms. Unsolicited proposals will not be accepted under the STTR Program in either Phase I or Phase II.

**f.Duplication of Work.** If an award is made pursuant to a proposal submitted under this Program Solicitation, the contractor will be required to certify that he or she has not previously been, nor is currently being, paid for essentially equivalent work by an agency of the Federal Government.

**g.Classified Proposals.** If classified work is proposed or classified information is involved, the offeror to the solicitation must have, or obtain, security clearance in accordance with the Industrial Security Manual for Safeguarding Classified Information (DoD 5220.22M).

## 6.0 SUBMISSION OF PROPOSALS

An original plus (4) copies of each proposal or modification will be submitted, in a single package, as described below, unless otherwise stated by specific instructions in Section 8.0.

*NOTE: THE ORIGINAL OF EACH PROPOSAL MUST CONTAIN A COMPLETED APPENDIX A (COVER SHEET), APPENDIX B (PROJECT SUMMARY), AND APPENDIX E (COMPANY COMMERCIALIZATION REPORT).*

### 6.1 Address

Each proposal or modification package must be addressed to that DoD Component address which is identified for the specific topic in that Component's subsection of Section 8.0 of this solicitation.

The name and address of the offeror, the solicitation number and the topic number for the proposal must be clearly marked on the face of the envelope or wrapper.

Mailed or handcarried proposals must be delivered to the address indicated for each topic. Secured packaging is mandatory. The DoD Component cannot be responsible for the processing of proposals damaged in transit.

All copies of a proposal must be sent in the same package. Do not send separate information copies or several packages containing parts of the single proposal.

### 6.2 Deadline of Proposals

Deadline for receipt of proposals at the DoD Component is 2:00 p.m. local time, April 2, 1997. Any proposal received at the office designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before an award is made, and: (a) it was sent by registered or certified mail not later than March 27, 1997 or (b) it was sent by mail and it is determined by the government that the late receipt was due solely to mishandling by the government after receipt at the government installation. There are no other provisions for late receipt of proposals under this solicitation.

The only acceptable evidence to establish (a) the date of mailing of a late-received proposal sent either by registered mail or certified mail is the U. S. Postal Service postmark on the wrapper or on the original receipt from the U. S. Postal Service. If neither

postmark shows a legible date, the proposal shall be deemed to have been mailed late. The term postmark means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed on the date of mailing by employees of the U. S. Postal Service. Therefore, offerors should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper; (b) the time of receipt at the government installation is the time-date stamp of such installation on the proposal wrapper or other documentary evidence of receipt maintained by the installation.

Proposals may be withdrawn by written notice or a telegram received at any time prior to award. Proposals may also be withdrawn in person by an offeror or his authorized representative, provided his identity is made known and he signs a receipt for the proposal. (NOTE: the term telegram includes mailgrams.)

Any modification or withdrawal of a proposal is subject to the same conditions outlined above. Any modification may not make the proposal longer than 25 pages (excluding Company Commercialization Report). Notwithstanding the above, a late modification of an otherwise successful proposal which makes its terms more favorable to the government will be considered at any time it is received and may be accepted.

### 6.3 Notification of Proposal Receipt

Proposers desiring notification of receipt of their proposal must complete and include a self-addressed stamped envelope and a copy of the notification form (Reference B) in the back of this brochure. If multiple proposals are submitted, a separate form and envelope is required for each. Notification of receipt of a proposal by the government does not by itself constitute a determination that the proposal was received on time or not. The determination of timeliness is solely governed by the criteria set forth in Section 6.2.

### 6.4 Information on Proposal Status

Evaluation of proposals and award of contracts will be expedited, but no information on proposal status will be

available until the final selection is made. However, contracting officers may contact any and all qualified proposers prior to contract award.

#### **6.5 Debriefing of Unsuccessful Offerors**

Upon written request and after final award decisions have been announced, a debriefing will be provided to unsuccessful offerors for their proposals.

#### **6.6 Correspondence Relating to Proposals**

All correspondence relating to proposals should cite the STTR solicitation number and specific topic number and should be addressed to the DoD Component whose address is associated with the specific topic number.

## 7.0 SCIENTIFIC AND TECHNICAL INFORMATION ASSISTANCE

### 7.1 DoD Technical Information Services Available

The Defense Technical Information Center (DTIC), the central source of scientific and technical information resulting from and describing research and development projects funded by DoD, is a major component of the DoD Scientific and Technical Information Program. DTIC provides access to and transfer of scientific and technical information for DoD personnel, DoD contractors, and other U.S. Government agencies and their contractors.

The majority of participants in the STTR program, as current Federal contractors, potential defense contractors, or in partnership with institutions eligible to receive DTIC services, will have direct access to DTIC as full-service users. Small firms participating in STTR not falling into these categories are eligible for limited-service DTIC registration.

The scientific and technical information assistance provided by DTIC enables organizations preparing R&D proposals to DoD to make better-informed bid decisions as well as technically stronger submittals. Respondents to this solicitation are encouraged to ascertain their organization's authorization to use DTIC and, if eligible, to request bibliographies of technical reports from DoD-funded R&D in their proposal topic areas as well as the technical reports cited in the bibliographies. Eligible users should also request topic-related work in progress reports.

Call, or visit (by pre-arrangement), DTIC at the location most convenient to you:

Defense Technical Information Center  
ATTN: DTIC-User Services  
8725 John J Kingman Rd STE 0944  
Ft Belvoir VA 22060-6218  
Phone (800) 363-7247  
Fax (703) 767-8228  
EMail sbir@dtic.mil  
WWW <http://www.dtic.mil/dtic/sbir>

DTIC Boston Regional Office  
Hanscom AFB, Building 1103, 5 Wright Street  
Bedford, MA 01731-5000  
(617) 377-2413

DTIC Dayton Regional Office  
2690 C Street, Suite 4  
Wright Patterson AFB, OH 45433-7411

(513) 255-7905

DTIC Los Angeles Regional Office  
222 N. Sepulveda Blvd., Suite 906  
El Segundo, CA 90245-4320  
(310) 335-4170

DTIC Albuquerque Regional Office  
PL/SUL  
3550 Aberdeen Ave, SE  
Kirtland AFB, NM 87117-6008  
(505) 846-6797

For information services in the areas of manpower, personnel, training and simulation devices, human factors and safety, contact the DTIC Manpower and Training Research Information System:

DTIC MATRIS Office  
San Diego, CA 92152-6800  
(619) 553-7008

DTIC also provides access to DoD-sponsored Centers for Analysis of Scientific and Technical Information (IACs), offering DTIC users specialized reference services and subject matter expertise. IACs are concerned with the Scientific and Technical Information content of worldwide engineering, technical and scientific databases. They receive technical management and direction from the DoD organizations with leading competence in the science and technology area within which each IAC functions. DTIC-managed IACs are as follow:

Chemical Propulsion Information Agency, CPIA  
Data and Analysis Center for Software, DACS  
Guidance and Control IAC, GACIAC  
Infrared Information Analysis Center, IRIA  
Metals Information Analysis Center, MIAC  
Ceramics Information Analysis Center, CIAC  
Metal Matrix Composites IAC, MMCIAC  
Nondestructive Testing IAC, NTIAC  
Reliability Analysis Center, RAC  
High Temperature Materials IAC, HTMIAC  
Manufacturing Technology IAC, MTIAC  
Survivability/Vulnerability IAC, SURVIAC  
Chemical Warfare/Chemical Biological Defense IAC, CBIAC  
Crew System Ergonomics IAC, CSERIAC  
Tactical Warfare Simulation & Technology IAC, TWSTIAC

manpower, personnel, training and simulation, human factors, and safety.

For more information about the DTIC IAC program and other DoD IACs contact:

Defense Technical Information Center  
DTIC-IAC Program Manager  
8725 John J Kingman Rd STE 0944  
Ft Belvoir VA 22060-6218  
(703)767-9120

## **7.2 STTR Interactive Topic Information System (SITIS)**

Small businesses may ask technical questions about the solicitation topics in Section 8 by using the DTIC/MATRIS STTR/SBIR Interactive Topic Information System (SITIS), an anonymous electronic forum between participant small businesses and the DoD scientists and engineers assigned to STTR topics. SITIS should not be used to ask general questions about the program or solicitation, which instead should be directed to (800) 382-4634.

SITIS is accessible through the DoD SBIR/STTR Home Page (<http://www.acq.osd.mil/sadbu/sbir>) -- see shortcut menu at the top of the page. Technical questions about solicitation topics can also be submitted via e-mail, fax, paper mail, or telephone by contacting the SBIR/STTR Coordinator at:

Defense Technical Information Center  
MATRIS Office, DTIC-AM  
ATTN: SBIR/STTR Coordinator  
53355 Cole Rd.  
San Diego, CA 92152-7213  
Phone: (619) 553-7000  
Fax: (619) 553-7053  
Email: [sbir@dticam.dtic.mil](mailto:sbir@dticam.dtic.mil)  
WWW: <http://dticam.dtic.mil>

SITIS electronically posts all questions and answers by topic number, for general viewing, throughout the pre-solicitation and solicitation period. Answers are generally posted within seven working days of question submission. (Answers will also be emailed or faxed directly to the inquirer if the inquirer provides an email address or fax number.) NOTE: Questions will be accepted until 30 days before the solicitation closing date.

In addition to managing SITIS, the MATRIS Office also provides information services in the areas of

In addition to managing SITIS, the MATRIS Office also provides information services in the areas of manpower, personnel, training and simulation, human factors, and safety.

### **7.3 DoD Counseling Assistance Available**

Small business firms interested in participating in the STTR Program may seek general administrative guidance from small and disadvantaged business utilization specialists located in various Defense Contract Management activities throughout the continental United States. These specialists are available to discuss general administrative requirements to facilitate the submission of proposals and ease the entry of the small high technology business into the Department of Defense marketplace. The small and disadvantaged business utilization specialists are expressly prohibited from taking any action which would give an offeror an unfair advantage over others, such as discussing or explaining the technical requirements of the solicitation, writing or discussing technical or cost proposals, estimating cost or any other actions which are the offerors responsibility as outlined in this solicitation. (See Reference C at the end of this solicitation for a complete listing, with telephone numbers, of Small and Disadvantaged Business Utilization Specialists assigned to these activities.)

### **7.4 State Assistance Available**

Many states have established programs to provide services to those small firms and individuals wishing to participate in the Federal STTR Program. These services vary from state to state, but may include:

- Information and technical assistance;
- Matching funds to STTR recipients;
- Assistance in obtaining Phase III funding.

Contact your State Government Office of Economic Development for further information.

## 8.0 TECHNICAL TOPICS

Section 8 contains detailed topic descriptions outlining the technical problems for which DoD Components requests proposals for innovative R&D solutions from small businesses. Topics for each participating DoD Component are listed and numbered separately. Each DoD Component Topic Section contains topic descriptions, addresses of organizations to which proposals are to be submitted, and special instructions for preparing and submitting proposals to organizations within the component. Read and follow these instructions carefully to help avoid administrative rejection of your proposal.

<u>Component Topic Sections</u>	<u>Pages</u>
Army	ARMY 1-7
Navy.....	NAVY 1-6
Air Force.....	AF 1-12
Defense Advanced Research Projects Agency.....	DARPA 1-7
Ballistic Missile Defense Organization .....	BMDO 1-2

Appendices A, B, C, D and E follow the Component Topic Sections. Appendix A is a Proposal Cover Sheet, Appendix B is a Project Summary form, Appendix C is an outline for the Cost Proposal, Appendix D is the Fast Track Application Form, and Appendix E is the Company Commercialization Report. A copy of Appendix A, Appendix B, and Appendix E must be included with each proposal submitted.

Many of the topics in Section 8 contain references to technical literature or military standards, which may be accessed as follows:

- References with "AD" numbers are available from DTIC, by calling 800/DoD-SBIR or sending an e-mail message to [sbir@dtic.dla.mil](mailto:sbir@dtic.dla.mil)
- References with "MIL-STD" numbers are available from the DoD Index of Specifications and Standards (DODISS) at Internet address <http://www.dtic.mil/dps-phila/dodiss>
- Other references can be found in your local library or at locations mentioned in the reference