



U.S. General Services Administration

A background image of a city skyline at dusk or dawn, with several tall buildings illuminated against a blue and orange sky.

# **Accelerating Transition of Innovative Technologies to the Federal Marketplace**

**General Services Administration (GSA)  
Small Business Innovation Research, Small  
Business Technology Transfer (SBIR/STTR) Program**

**Dr Rodney Couick**



## Overview

- SBIR/STTR Program—Basics, Participating Agencies, Goals
- Program Phases--Phase III Emphasis
- GSA Assisted Acquisition Services (AAS)
- AAS SBIR/STTR Phase III Program
- Success Stories
- How to Work with AAS for SBIR/STTR Phase III Contracts
- Summary



## Program Basics

- Congressionally mandated program, started in 1982 (SBIR), 1992 (STTR)
  - Small Business Administration (SBA) has program authority/oversight
- Funded as a set-aside portion of extramural R&D budget
  - Agencies with > \$100M (\$1B for STTR) extramural R&D must allocate at least 3.2% (.45% for STTR) for Phase I/II efforts
  - ≈ \$3B annual spend
  - ≈ 160,000 awards granted through FY19, > \$43B
  - ≈ 10 patents per day
- [www.sbir.gov](http://www.sbir.gov) for more information



## SBIR/STTR Participating Agencies

Department of  
Agriculture  
(USDA)

Department of  
Commerce  
(DoC)

Department of  
Defense  
(DoD) \*\*

Department of  
Education  
(ED)

Department of  
Energy  
(DOE)

Department of  
Health and Human  
Services  
(HHS)

Department of  
Homeland Security  
(DHS) \*\*

Department of  
Transportation  
(DOT) \*\*

Environmental  
Protection Agency  
(EPA) \*\*

National  
Aeronautics and  
Space  
Administration  
(NASA) \*\*

National Science  
Foundation  
(NSF)

\*\* Indicates Contracting Agency, Others are Granting Agencies



# Department of Defense Participating Components



Army



Navy



Air Force



Missile  
Defense  
Agency



Defense  
Threat  
Reduction  
Agency



Defense  
Microelectro  
nics Activity



Defense  
Advanced  
Research  
Projects  
Agency



Defense  
Health  
Program



Chemical  
and  
Biological  
Defense



Special  
Operations  
Command



Defense  
Logistics  
Agency



National  
Geospatial  
Intelligence  
Agency



## Program Mission and Goals

- Mission: “To support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy... one small business at a time”
- Stimulate technological innovation
- Increase small business participation in federally funded R&D
- Foster participation by socially & economically disadvantaged firms in technology innovation
- Increase private sector commercialization of federal R&D
- Strengthen US economy and defense industrial base
- “*America’s Seed Fund*”—not a contracting program—rather, a business and technology development program



## Three Phased Program



- Highly competitive program
  - Phase III may result from Phase I, Phase II or prior Phase III
  - No additional competition required for Phase III
- Any type of funding agreement may be used (e.g. contracts, grants, cooperative agreements)--GSA uses contracts



## Phase III – What?

- Work that “derives from, extends or completes” work performed under a prior SBIR/STTR effort (Phase I, II or III)—products, service, R&D, combination
- Phase I/II awardee or successor in interest owns data rights
- No limit to the amount, number of Phase III contracts, time between previously funded SBIR/STTR work and a new Phase III contract, etc.
- Competition conducted in Phase I/II satisfies all federal competition requirements—no additional competition is required
  - To the “maximum extent practicable” the Government shall establish Phase III contracts with the company that owns the SBIR/STTR rights
- Subcontracts to SBIR/STTR firms for their technology are Phase III contracts
- Must be funded entirely by non-SBIR/STTR funds





## Phase III – Why?

- Improved access to innovative technologies
- Savings—Air Force Joint Strike Fighter example
- Phase I/II return on investment (ROI)—realizes Congressional intent to transition technology
- Tremendous economic impact--studies show  $\geq$  \$12.50 ROI
- Bridges the “valley of death” for innovative small businesses
- Current push for acquisition innovation—express preference for Phase III
  - DoD required to address SBIR/STTR in major systems acquisition plans
  - Direction from Service Secretaries, Senior Acquisition Executives
- Helps grow a robust defense industrial base
- *For the innovative small business concern—Phase III is the path to growth and success*



## Phase III – How?

- Phase I/II awardee or successor in interest owns data rights and Phase III status rights
- To be eligible for a Phase III, a company must have received at least one prior funding agreement—i.e. be the “original awardee”
- OR, become a “successor in interest”
  - Acquire a company that is the “original awardee”
  - Acquire a specific SBIR/STTR-funded technology with all Phase III rights
- Must be funded entirely by non-SBIR/STTR funds--find a buyer (federal or private sector) with non-SBIR/STTR funds
- Subcontracts can be Phase IIIs
- Phase III can result from a competitive procurement



## GSA Assisted Acquisition Services (AAS)

- AAS is an office within the Federal Acquisition Service
- Full lifecycle acquisition support for complex requirements
- Complete spectrum (“some” to “all”) of acquisition support to award/administer contracts on behalf of federal agencies
  - Fee for service contracting activity—we focus on the contracting, customer focuses on core mission—cost recovery charge varies based on spend and level of effort required
- Customer owns technical requirement, provides Technical Expertise
  - AAS advises/selects optimal contract vehicle (GSA schedules, Government wide contracts, open market, etc.) to meet customer needs
  - AAS team issues solicitation, awards contract, manages funds, monitors performance and manages the contract through closeout



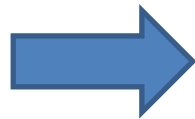
## GSA/AAS Phase III Program Results Through FY20

- Pilot authorized by GSA Senior Procurement Executive in May 2018—supported by 2 GSA/AAS offices—permanent authority granted March 2020
- Embraced by SBA, the Air Force, Naval Sea Systems Command (NAVSEA) and others
- 51 new contracts awarded (\$3.2B ceiling, \$625M obligated)—R5 about 75% of awards and 88% of obligations thru FY20
  - SB -- 21, \$1.4B
  - WOSB -- 9, \$934M
  - EDWOSB – 1, \$50M
  - VOSB -- 4, \$333M
  - SDB -- 10, \$309M
  - SDVOSB -- 3, \$117M
  - 8(a) – 3, \$110M
  - Other than Small – 6, \$323M
  - Air Force -- 31, \$2.2B
  - Navy/Marines -- 13, \$589M
  - Army – 1, \$30K
  - Other DoD -- 5, \$305M
  - Civilian (DoE) -- 1, \$192K
- 17 opportunities in the pipeline at various stages--\$2.1B combined ceiling



## Notable SBIR Success Stories

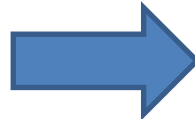
1990—DARPA  
Phase I



2018 revenue was \$1.1B. Co-founder  
net worth > \$33M in 2011

<https://www.sbir.gov/node/1308547>

Early 90's -- \$100K  
Air Force Phase I



Thriving Global Industry, 21,000,000  
surgeries '96-Present, \$100B

<https://vimeo.com/128527782>

2011—Navy  
Phase I

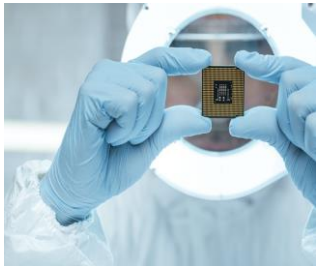


\$11M Commercial sales to date &  
growing

<https://www.onr.navy.mil/en/Media-Center/Press-Releases/2019/EMILY-Bahamas-Hurricane-Dorian>



## GSA/AAS SBIR III Success Stories



5 Indefinite Delivery Indefinite Quantity (IDIQ) contracts for the Air Force Research Lab Sensors Directorate for purpose of protecting US systems from electronics supply chain risks. National security risks are high due to globalization of the microelectronics supply chain. Total ceiling ≈\$730M.

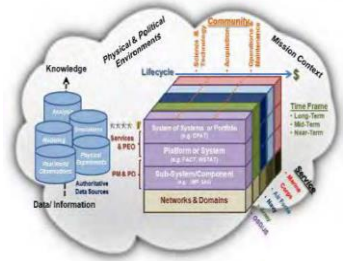


**Digital Engineering Ecosystem Development and Deployment.** A \$50 million contract to an **Economically Disadvantaged Woman Owned Small Business** providing delivery of a Digital Engineering System to customers such as the Air Force Research Laboratory, the Air Force Nuclear Weapons Center, and HQ US Marine Corps. This system allows the U.S. military to produce a digital version of a planned real world system—testing, prototyping, and adapting in the virtual world—before the first physical product ever rolls off the assembly line. Digital Engineering is a top priority within DoD and this IDIQ has been so successful that the Air Force is seeking a \$450M ceiling increase. It was also a contributing factor to the company graduating from the 8(a) business development program.



## GSA/AAS SBIR III Success Stories (Cont'd)

Provides Air Force planners with an analytical methodology for evaluating complex decisions involving future uncertainty. Through complex modeling and analytics, large sets of potential solutions are evaluated and visualized according to their "utility" versus "cost" scores, enabling wise investment decisions early in the planning phase. 5 year \$150M IDIQ. This contract helped propel the **Woman Owned Small Business** on a strong growth trajectory and was a contributing factor in the business being acquired as a wholly owned subsidiary by a large business. We have since awarded 2 additional contracts to this company for a combined ceiling of \$150M





## How to Work with GSA for a Phase III Contract

- Contact [gsasbir-sttr@gsa.gov](mailto:gsasbir-sttr@gsa.gov)
- Work with customer finance to provide reimbursable funds (e.g. MIPR or other similar funding document)—AAS will provide instructions and assist
  - Must have a customer with funding to use AAS
- Ensure that internal approvals for using AAS have been granted—approval is a customer function—GSA can provide factual information as needed
- Provide a TPOC or COR to serve as subject matter expert—SBIR/STTR technology spans a very broad spectrum—customer technical expertise is imperative





## Summary

- SBIR/STTR Program Basics
- Phase III – What is it and Why Should I participate?
- How do I get a Phase III?
- AAS High Level Overview
- AAS Phase III Process and Results
- How Can GSA Help You Meet Your Mission Via an Innovative Solution?
- Questions?
  - For follow up, [rodney.couick@gsa.gov](mailto:rodney.couick@gsa.gov) or 618-622-5801





## Backup Slide—Reference/Contact Information

- Presenter: [rodney.couick@gsa.gov](mailto:rodney.couick@gsa.gov), 618-622-5801
- All things SBIR: [www.sbir.gov](http://www.sbir.gov)
- Current SBIR/STTR Policy Directive:
  - [https://www.sbir.gov/sites/default/files/SBIR-STTR\\_Policy\\_Directive\\_2019.pdf](https://www.sbir.gov/sites/default/files/SBIR-STTR_Policy_Directive_2019.pdf)
- USAF JSF Savings
  - <https://sbtc.org/wp-content/uploads/2018/05/JSF-SBIR-success-pkg-Distro-A.pdf>



## Reference Information

- Economic Impact Studies:
  - <https://www.sbir.gov/sites/default/files/USAF%20SBIR-STTR%20Economic%20Impact%20Study%20FY2015.pdf>
  - <https://www.sbir.gov/sites/default/files/NAVY%20SBIR-STTR%20National%20Economic%20Impacts%202000%20-%202013.pdf>
  - [https://sbir.cancer.gov/sites/default/files/documents/NCI\\_SBIR\\_ImpactStudy\\_FullReport\\_2018.pdf](https://sbir.cancer.gov/sites/default/files/documents/NCI_SBIR_ImpactStudy_FullReport_2018.pdf)
- Senior Leader Direction:
  - [https://www.navysbir.com/Docs/Navy\\_Stackley\\_Small\\_Business\\_Memo-1-12-15.pdf](https://www.navysbir.com/Docs/Navy_Stackley_Small_Business_Memo-1-12-15.pdf)
  - [https://www.navysbir.com/docs/Geurts\\_Memo8-6-18.pdf](https://www.navysbir.com/docs/Geurts_Memo8-6-18.pdf)



## Backup Slide—Reference/Contact Information

- LASIK Video: <https://vimeo.com/128527782>
- EMILY Video: <https://www.youtube.com/watch?v=VTvTcX0cgUo>



## **Backup Slide—Acronyms not Previously Spelled Out**

- SB: Small Business
- WOSB: Woman Owned Small Business
- VOSB: Veteran Owned Small Business
- SDB: Small Disadvantaged Business
- SDVOSB: Service Disabled Veteran Small Business
- MIPR: Military Interdepartmental Purchase Request